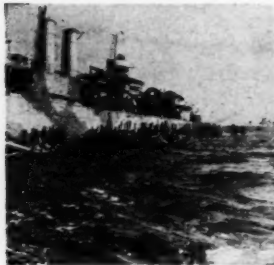


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Conflicting Views on Air Transport Cover Aired

Lawyers Conduct Forum Discussion on Important Question in Chicago

The forum on air transport insurance at the meeting of the International Association of Insurance Counsel in Chicago this week attracted a large and interested crowd and brought about a number of differences of opinion on the future extent of private flying and the proper ways to broaden the American aircraft insurance market.

E. S. Gambrell, Atlanta general counsel Eastern Air Lines, presided, with P. M. Godehn, of the Chicago law firm of Mayer, Meyer, Austrian & Platt, counsel for United Air Lines, speaking for the air transport industry, J. M. Breen, Chicago, staff counsel Lumbermen's Mutual Casualty, giving the viewpoint of insurance and Paul Reiber, Washington, of the Civil Aeronautics Board legal staff, speaking as a government supervisor.

Mr. Gambrell had to leave before the meeting was over and A. E. BroSmith, Travelers, a vice-president of the association, replaced him in the chair.

Phases of Law Affected

Air transport has had an impact on the law of torts, property and public utility regulation, Mr. Gambrell said, pointing out that the old common law concept of ownership of the air space above property has already gone by the boards. He reviewed government regulation of air transport with the establishment of the Civil Aeronautics Board to regulate safety, practices and economies of air lines. Most authorities agree that regulation must be federal, he said, and there have been several international conventions on this subject, with the United States a party to some. The Sweeney report in 1931 recommended adoption of the Warsaw convention principles of absolute liability for injury to persons and damage to property on the ground away from airports and the duty of extraordinary care to passengers and also advocated compulsory insurance for most classes of flying. The Lea-Bailey bill before congress now is intended to improve the present regulatory act, he said.

Mr. Gambrell spoke of the great increase in commercial flying to come after the war. He said that the commercial air lines in this country had about 400 planes before the war. The government has taken 200, but the balance are carrying as much passengers, mail, freight as the previous total, and after the war there should be at least 2,000 in operation.

Problems to Magnify

Mr. Godehn said that the problem of getting adequate catastrophe coverage will increase after the war, as the air lines will switch to four engine planes, with correspondingly greater loads. While these planes will be safer, the greater loads will increase the possible crash loss. He also predicted a great increase in air cargo, with air express rates reduced as soon as the lines can get exclusively cargo planes, and a vast increase in private flying. He said that attempts to pass uniform state laws

(CONTINUED ON PAGE 18)

Lerch Retires; C. E. Harbin Heads Grain Pool

After completing a span of 55 years in fire insurance, W. L. Lerch is retiring July 31 as manager of the Underwriters Grain Association of Chicago. However, he will retain his position as one of the three attorneys of the association and for a period of one



W. L. LERCH

year will remain active in the office.

The new manager is Charles E. Harbin, who has been connected with the association for the past year. During that period he has devoted most of his attention to field conditions, getting acquainted with operators and superintendents of elevators and the desirability of individual risks. Previously for 22 years he was with the Fire Underwriters Inspection Bureau of Minneapolis in elevator inspection work in North and South Dakota and Minnesota. For 13 years he was head of the mill and elevator department of that bureau. He entered that work upon leaving the navy in 1920.

The executive committee of the association recorded its appreciation for the loyalty and close attention to affairs of Mr. Lerch. It stated that during his administration during the past 13 years a number of changes have been made which have resulted in in-

May Buy Private Cover on Planes Owned by D.P.C.

WASHINGTON.—Civil Aeronautics Administration is awaiting comptroller general's opinion on whether CAA can get commercial insurance, instead of being self-insurer, of airplanes of Defense Plant Corporation leased to air field operators for war training service.

WASHINGTON — The Civil Aeronautics Authority has been working to set up machinery to handle losses on planes that are owned by Defense Plant Corporation and are leased to airfield operators. The operator is liable for losses up to 20% of the value of the plane and the CAA takes the responsibility after that. The airfield operator does not actually pay an insurance premium for the 80% coverage but there is an insurance charge involved. For example, for indoctrination flight course the operator gets \$11.70 per hour if using his own plane and \$10 per hour if using a DPC plane. Of that difference 28 cents represents the cost of CAA insurance.

C. Z. German, assistant chief performance division war training service of CAA, is in charge of insurance matters. So far the machinery for handling insurance losses has not actually been set up and no claims have been paid. There have been rumors that the setup may be changed and that the entire insurance on DPC planes may be carried by private insurers.

creased efficiency and a substantial reduction in expense. He has won the cooperation of the elevators.

He was born in Canajoharie, N. Y., in 1868. He graduated from North Central College in Naperville, Ill., in 1887. He remained there as a teacher until 1888 when he went with the western department of Great American. He was appointed second assistant manager of that company in 1904 and in 1916 was appointed manager in association with J. C. Ingram under the name of Ingram & Lerch. On the death of Mr. Ingram in 1920 he became sole manager and served until 1926 when he went with Royal as deputy western manager. When the western department of Royal was moved to New York in 1930 he became manager of the Grain Association.

(CONTINUED ON PAGE 25)

Insurance Counsel Group Studies Post- War, Air Problems

Much Interest and Large Turnout at Insurance Attorneys' Meeting

OFFICERS ELECTED

President—P. H. Eager, Jr., Jackson, Miss.

Vice-presidents — R. P. Hobson, Louisville; L. P. Henry, American Mutual Liability, Boston; Lon Hocker, Jr., St. Louis.

Secretary—D. I. McAlister, Washington, Pa.

Treasurer—R. M. Noll, Marietta, O. (reelected).

New executive committee members—(To fill vacancy) K. B. Cope, Canton, O. (Full term) H. D. Combs, U. S. F. & G., Baltimore; W. P. McDonald, Memphis; C. W. Heyl, Peoria, Ill.

After a gap of two years, due to the government taking over its traditional meeting place at White Sulphur Springs at a date too late to rearrange the 1942 meeting, the International Association of Insurance Counsel held a lively and successful meeting at the Edgewater Beach Hotel in Chicago this week. Over 275 were registered and everyone felt that President Willis Smith, Raleigh, N. C., and Secretary R. B. Montgomery, Jr., New Orleans, had done an excellent job in transplanting and staging the revived meeting.

The impact of the war, which has called over 70 members of the association to the colors, was evident on the program. Technical legal subjects occupied a less prominent spot than usually and keen interest was aroused in discussions of the future of air transport, war time adjustments of insurance coverages and practices, the picture of marine insurance in a maritime nation and the place of America and the legal profession in a post-war world.

Change in Election System

When the 1942 meeting had to be abandoned, the executive committee re-appointed the officers and its members for another year. Executive committee members serve for three years, with three terms expiring each year. To avoid electing six new members this year, the executive committee proposed that only the three whose terms expired in 1942 be replaced now and that the others be extended for a year and this recommendation was accepted. The men thus replaced were T. N. Bartlett, Baltimore, Maryland Casualty; P. H. Eager, Jr., Jackson, Miss., and J. G. Sweet, San Francisco, while the terms of F. B. Baylor, Lincoln, Neb.; J. M. Sweitzer, Wausau, Wis., Employers Mutual Liability, and K. B. Cope, St. Louis, were extended. Mr. Cope was chosen last year to replace the late W. C. Reeder, St. Louis.

The terms of F. M. Holt, Jacksonville, Fla.; P. F. Burke, Philadelphia, Indemnity of North America, and P. J. McGough, Minneapolis, do not expire until next year, and they will probably also be extended.

Lieut. Col. J. M. Niehaus, Peoria attorney now with the army signal corps

(CONTINUED ON PAGE 9)

THIS WEEK IN INSURANCE

International Association of Insurance Counsel stresses war and post-war problems at annual meeting. **Page 1**

W. L. Lerch retires as manager of **Underwriters Grain Association** and is succeeded by Charles E. Harbin. **Page 1**

Conflicting views on the proper way to handle the insurance in the future on **air transport** were expressed at the meeting of the **International Association of Insurance Counsel** in Chicago. **Page 1**

Background and personnel of large **army insurance branch** told. **Page 3**

After first having voted to liquidate **Federal Crop Insurance Corporation**, House changes its mind and approves the appropriation. **Page 2**

J. H. Burlingame, assistant manager **Western Adjustment**, spoke before the **Illinois Fire Underwriters Association** on "Due Diligence and Dispatch." **Page 2**

Alexander Hurry, Northern Assurance, is reelected president of **Canadian Underwriters Association**. **Page 3**

Globe Indemnity acquires 95% of the stock of **Virginia F. & M.** and new directors and officers have been elected. **Page 6**

Indiana Fire Underwriters Association holds annual meeting. **Page 4**

Franklin J. Marryott, assistant general counsel of **Liberty Mutual**, tells members of **International Association of Insurance Counsel** about wartime developments in casualty insurance. **Page 17**

Illinois financial responsibility bill after the New York pattern goes to vote in the closing hours of the Illinois legislature. **Page 10**

Panel speakers at meeting of **International Association of Insurance Counsel** in Chicago severely criticize proposed **expansion of social security** scheme. **Page 17**

Main points of Beveridge plan and **U. S. counterpart** summarized and compared. **Page 10**

Labor union agency a growing factor in placing big group cases. **Page 10**

Martin W. Lewis celebrates his 20th anniversary with the **Towner Rating Bureau**, July 1. **Page 18**

Henry H. Reed, in addressing insurance counsel meeting, voices hope that British attitude after the war will be such as to enable American marine insurers to do business on a representative scale in England. **Page 25**

U. S. Crop Cover to Be Continued

After First Voting to Liquidate FCIC, House Approves Appropriation

WASHINGTON—By a vote of 208 to 160 the House of Representatives this week approved continuance of the federal crop insurance program for wheat and cotton. The House had originally voted to liquidate that activity, but the Senate put an item for it of \$7,818,748 in the Agricultural Department appropriation bill for the fiscal year beginning July 1.

The recent House vote came on a motion of Representative Tarver of Georgia that the House insist upon its disagreement to the Senate amendment. That motion was lost by the vote above stated. The result is that that item of the agricultural appropriations was eliminated from further controversy between the two houses.

The House vote was preceded by considerable discussion, in which Tarver opposed the crop insurance item, but a number of other Congressmen supported it. Representative Brown, Georgia, pointed out the cotton crop insurance program has been on only one year. Representative Cooley, North Carolina, said when government crop insurance was undertaken, it was recognized as an experiment which might require 10 years to determine success or failure. He did not believe the record of losses had been "too bad."

Four Year Loss \$41,000,000

Tarver said the government paid out in four years \$17,000,000 in indemnities in excess of receipts under the crop insurance program and expended in administrative costs about \$24,000,000.

Representative Mansfield, Montana, suggested it was a matter of government good faith to continue the program. Fulmer charged propaganda by financial interests against the program. Representative Miller, Connecticut, said the figures "prove that we cannot successfully write crop insurance."

Representative Hobbs of Alabama supported crop insurance as a "sound" program. Representative Murdock, Arizona, took the view that if the program were killed now it would be damned in public estimation for many years to come.

Sound Institution

Rep. Lambertson, Kansas, said: "Insurance is a sound institution in this country, and our farmers can participate in a regular, sane, business-like proposition."

Rep. Wickersham, formerly in the insurance business, supporting the government program, declared that "there is no insurance company that will cover these risks, covered by this insurance."

Stating that "the result to date is very encouraging," Representative Lemke, North Dakota, said that "Lloyds insures everything, and Lloyds is still in business, and we are going to continue in business if we give this crop insurance an honest, fair, and legitimate trial." Last year, he said, the total loss on wheat was \$800,000.

Insurer Mortality Cited

Representative Pace, Georgia, asked: "Is it so bad for the federal government to set up an agency, when no private enterprise will do it, whereby these farmers can pay a premium and insure themselves against bankruptcy?" He said it has been the experience of private insurers that it is difficult to get a foothold in the business. Only about 25% of American fire and casualty stock companies have survived.

Supporting the appropriation, Rep. Gilchrist, Iowa, remarked that "you cannot expect any insurance company to make dividends from its start." Rep.

Oakland Loss Settlement Is Now Well Under Way

Several phases of the adjustment of the Albers Milling Company loss at Oakland, Cal., which is the largest single loss in the San Francisco Bay area since the earthquake and fire in 1906, have been completed. This is a subsidiary of the Carnation Company. The insurance is handled by Fred S. James & Co.

The building loss has been settled for \$503,000 and the equipment loss at \$595,000. The insurers have made an advance payment of \$500,000 on the stock. This part of the loss may exceed \$1,000,000 although there will be considerable salvage of the cereal. There is a U. & O. line of \$1,565,000 involved but this part of the loss has not yet been settled.

The rebuilding has been started. It is to be of fire-proof construction. The owners, in approaching the War Production Board for permission to rebuild, went on the assumption that Washington would prefer as much use of lumber as possible and hence they proposed to use 40% frame construction, sprinklered, and the balance fire-proof. However it was found that lumber was more critical material than steel so the final decision was to authorize fire-proof construction.

Burdick, North Dakota, also supported the program.

Rep. Dirksen, Illinois, opposing it, said administrative expenses had increased. Including them, he estimated total losses in four years at over \$41,000,000. He declared that "there is no corporation in the world that could undertake" the program "because it could not take the loss."

Effect of "Due Diligence and Dispatch"

At the annual meeting of the Illinois Fire Underwriters Association in the Edgewater Beach Hotel, Chicago, Assistant Manager J. H. Burlingame of the Western Adjustment in Chicago gave a talk on "Due Diligence and Dispatch" in the use and occupancy form. He said it was incorporated in the form after a committee, of which W. S. Foster, former associate western manager of North America, was chairman, studied the legal, underwriting and other phases of the form. Mr. Burlingame characterized it as the essence of the contract and the meat in every loss. He said that an excellent piece of work was done when this phrase was incorporated.

The attitude of the assured, he said, is a forerunner of the manner in which the adjustment procedure is made. He said that "diligence and dispatch" is what a prudent man would do if he had a loss and wanted to protect his business and he had no insurance. Such an assured, he said, will investigate every means of restoring his property. He wants to get back into action. He does not hesitate to initiate plans and methods. He investigates what would be the best means of getting a priority order. The adjuster, Mr. Burlingame said, should ascertain what would be the normal time to restore the property. Some assured by various means take entirely too much time.

The war, of course, has changed adjustment procedure because of the abnormality of the times. There is a shortage of material in almost all sectors. Tool builders are handicapped. Priorities are encountered and what a claimant can get in this direction is important. He said that so far as forms 300 and 301 are concerned no cases have been adjusted so that no definite statements can be made. All losses so far are hypothetical.

He said that local agents and adjusters also should know the market, for in-

Johnson Heads General Agents

By mail vote, the members of the American Association of Insurance General Agents have elected S. Lewis Johnson of Charleston, S. C., as president succeeding George E. Edmondson of



S. LEWIS JOHNSON

Tampa. Mr. Johnson has been chairman of the executive committee. Frank H. Duff of Dallas and Thomas G. Linnell of Minneapolis are vice-presidents; Herbert Cobb Stebbins of Denver is secretary and Dorothy Zietz of Denver is assistant secretary.

President Johnson has appointed Frank J. Pelletier of San Francisco as chairman of the executive committee.

"Your Family Needs Protection" is an effective booklet for selling the new residence theft policy. Write National Underwriter for samples.

WDC Renewal Questions Clarified Under New Setup

War Damage Corporation fiduciary agents find that a good many producers in renewing WDC policies where form No. 2 must be used, do not indicate the effective date of the policy. Of course last year when the business was first being written, the agent was not supposed to indicate the effective date, because that date was determined by the date stamp of the fiduciary agent. Now when form No. 2 is being used the fiduciary agent is unable to determine offhand whether this is an application for new insurance or for renewal. Occasionally the fiduciary agent has assumed that it is an application for new insurance and has made the effective date that on which the application was received whereas it was supposed to be a renewal and the effective date was July 1 or later. Inasmuch as most of the business coming through now is renewal, when the effective date is not shown in form No. 2, the fiduciary agents must go through their files to discover the effective date of the original policy.

The question has come up whether renewal form No. 9 may be used for renewal of policies of a former agent who has sold out to another agent during the past year. It was specified that when any change was involved form No. 2 must be used. At least one of the insurers got an opinion from the Federal Reserve Bank that form No. 9 may be used in these circumstances provided that there be included parenthetically with the name of the new agent a notation (formerly the Blank agency).

Named Chairman



C. F. SHALLCROSS

NEW YORK—C. F. Shallcross, U. S. manager North British & Mercantile, was elected chairman of the executive committee of the National Board at the committee's organization meeting here. He succeeds Frank A. Christensen, vice-president Fidelity-Phenix Fire, who was elected vice-president of the board at its annual meeting.

Since 1901, when he was elected a member of the then committee on clauses and forms, Mr. Shallcross has served continuously on one or more committees of the board. He has been chairman of the former committee on clauses and forms, of the former committee on lighting, heating and engineering standards; of the committee on laws and of the committee on fire prevention and engineering standards. He has been either an elected member or a member ex-officio of the executive committee for 26 years.

R. M. Huyler New Chairman

NEW YORK—Rollin M. Huyler, adjuster in charge of automobile losses for the fire companies of the America Fore group, has been elected chairman of the theft bureau committee of the Automobile Underwriters Detective Bureau, which is the eastern division of the National Theft Bureau. He succeeds L. K. Babcock, who has been chairman for the last 13 years. Mr. Huyler who has been a member of the committee for some years, is active in the Automobile Claims Association, having been its second president, P. L. Louis, Royal, is vice-chairman.

Chase Smith Lauds Brooks Bill

**Urges Building Owners
to Seek Return of WDC
Surplus After War**

Members of the National Association of Building Owners & Managers at a meeting in St. Paul were urged by Chase M. Smith, counsel of the Kemper companies, to exert their influence in behalf

of the passage of the Brooks bill in the senate to provide for return to policyholders after the war of all War Damage Corporation surplus in excess of losses and expenses. Passage of that measure, according to Mr. Smith, will encourage the purchase of war damage insurance and thus avoid distress and discouragement that comes with uninsured loss and the country will avoid the need for handling war losses through government relief agencies. Moreover the probabilities are that the insured will receive back a large sum of money paid in for a specific purpose but not needed and therefore due them and it would guarantee as nearly as may be a fair and equitable cost for the insurance.

If last year's performance is repeated, the present \$120,000,000 WDC fund will be doubled and there will be \$240,000,000 in the bank. If people refuse to renew at present rates because they don't appraise the war damage danger as being worth the premium, coverage will lapse and that is a bad thing. Those who have paid their share of the fund won't be satisfied that the money is used to pay the losses of others at a later time while their own losses are not covered.

Recalls Kemper Proposal

In response to the suggestion last April of James S. Kemper that the surplus be returned after the war, Jesse Jones said the rates are now too low and that one air raid could easily consume all the premiums. Subsequently the arguments have been offered that the law did not provide for such a refund and that the finding of 5,000,000 policyholders and the figuring and payment of refunds would be too expensive. However, Mr. Smith said that an announcement that surplus funds would be returned has nothing to do with the availability of the funds during the war to pay for one air raid or 100 air raids. There has been no suggestion that any funds be returned until hostilities are ended and the need for the money has passed. On the contrary the Brooks' bill would result in a vast increase in WDC funds available for payment of losses because it would encourage those that are not insured to buy the cover.

Although it may be true that the law does not provide for such a refund it is a responsibility and opportunity to have it corrected. As to the objection that it would be difficult and expensive to find 5,000,000 people, Mr. Smith declared that all that need be done is to establish a procedure whereunder each policyholder may file an application for refund. If a man doesn't apply for refund the corporation needn't search for him.

Expense of the Operation

The expense of verifying the applications and paying the money out would not exceed 10% of the premiums, Mr. Smith said, and as a matter of fact expressed the belief the cost would be negligible. Mr. Smith said he does not favor particularly the bills that have been introduced in Congress to provide for free renewals of WDC cover



Chase Smith

Army Insurance Organization

**38 Officers, Many Up from Ranks, Staff
Branch Supervising Army's Coverages**

By JAMES C. O'CONNOR

WASHINGTON—The insurance branch of the army, charged with the supervision of insurance on war projects, now includes 38 commissioned officers, in Washington and in the service command offices, every one an experienced and practical insurance man. This organization has been built up in about 2½ years, since Lieut. Col. Reese F. Hill, chief of the branch, entered active service as a reserve lieutenant in the quartermaster corps and the army found that the cost-plus plans necessitated by the tremendous rearmament program initiated in 1940 had presented it with a stupendous insurance problem and no organization to handle it.

Colonel Hill, originator of the now famous war projects rating plan, is well known to the insurance world, but comparatively little is known of the outstanding organization he has built up and of the identity and background of the group of able insurance men he has brought into the organization. A graduate of The Citadel, where he received his reserve commission, Colonel Hill spent 11 years with Fidelity & Casualty before entering active service, his last location being supervising underwriter at Washington.

Many O C S Graduates

An interesting and hitherto unpublished feature of the army insurance branch is that nine of the officers were commissioned "the hard way", graduating from officer candidate schools after entering the army as enlisted men. None of these men asked for assignment to the insurance branch, most of them expecting combat duty. The army classification system does not provide a ready means of finding officers and men with insurance experience and these officers were culled by Colonel Hill and his chief assistants with great difficulty. Five of the officers are veterans of the last war, including every branch of the armed services.

The functions of the insurance branch, which is part of the army service forces, formerly the services of supply, are officially described as promulgation of war department policy regarding provisions and arrangements involving liability of the war department, its contractors, agencies and instrumentalities for loss of life, personal injury, property damage and capture and detention and supervision of the use, purchase, approval and

for the ensuing year. The present fund is not too large in view of the vast liabilities. No matter what the premiums may be if there are loss claims to be paid no one will complain as to the cost.

Incidentally Mr. Chase recommended that his listeners undertake to secure the use of the 1943 New York standard fire policy in their state. In addition to having a better war clause than the previous policies it is more liberal in many of its other clauses. In those states where policy forms are fixed by law, he recommended that assured get the new war exclusion clause added to their policies by endorsement.

The problem of final cost of war damage insurance is made more compelling by reason of the fact that mortgagees have demanded the carrying of war risk insurance by borrowers. The impelling force is the creditor but the bill is being paid by the property owner.



Lt. Col. R. F. Hill

administration of insurance and bonds for the war department.

The insurance branch, which sets up and administers policies affecting insurance on all contracts and other matters in which the war department is interested, is divided into five sections in the Pentagon building at Washington, casualty, fire and marine, life, bonds and claims. A sixth section, field service, consists of two men in the office of each service command, who work in connection with all the departments.

Directly under Colonel Hill, with the title of assistant chief of branch, is Maj. S. R. Feller, noted New York insurance attorney. A graduate of Columbia University, where he was editor of the "Columbia Law Review", Major Feller served as first deputy of the New York insurance department under Superintendent G. S. Van Schaick and was also special counsel under Superintendent L. H. Pink.

Gallaher Heads Casualty Section

The casualty section, which prepares instructions for all phases of casualty liability, insured and otherwise, for field service officers, contracting officers and carriers, prescribes and approves rates, reviews reports and supervises underwriting, including policy provisions, is directed by Maj. F. D. Gallaher. Formerly assistant manager of the metropolitan department of Royal Indemnity at New York, Major Gallaher was well known in New York insurance circles before he entered the army last year.

Maj. A. S. Kuenkler, formerly secretary of the Wisconsin Compensation Rating Bureau at Milwaukee, is in charge of actuarial work for the casualty section. Before going to Milwaukee, Major Kuenkler was statistician for the National Council on Compensation Insurance at New York. Maj. R. H. Matthias, who was a partner in the well known Chicago law firm of Ekern, Meyers & Matthias, is in charge of liaison work with state insurance supervising officials and legislatures. A reserve officer in the infantry before entering active service as a captain last year, Major Matthias had a prominent part in drafting the Illinois insurance code and the New York financial responsibility law and served with the Federal Crop Insurance Commission.

Other members of the casualty section are Lieut. M. R. Smith, formerly liability

(CONTINUED ON PAGE 8)

Agent Putnam's Charity Stirs Ashland, Ky., Row

Donald H. Putnam, well-known local agent of Ashland, Ky., recently offered to donate to the city of Ashland, as an outright gift, a six-acre tract of land and a swimming pool valued at \$40,000.

Mr. Putnam didn't seek to start a controversy in morals or religion. However, the Ashland municipal council after a heated session in which it was declared that "mixed bathing is immoral," declined to accept the gift, turning down acceptance of the recreation center by a 6 to 4 vote, with two members absent, having previously voted acceptance at the bill's first reading.

In the interim the morals charge had been voiced by the Rev. T. W. Wood, pastor of the Pollard Baptist Church, whose congregation in a paid advertisement in the newspapers termed the pool "a tool of Satan to wreck our citizens' moral lives."

Mr. Putnam previously had offered to sell the property to the city for \$12,000, purchase to be financed by 30-year revenue bonds.

P. S. On June 28 the town board voted to accept the pool.

Hurry Reelected President of C. U. A.

**Says Organization of Non-Tariffs
Evidences Need
for Cooperative Effort**

LUCERNE, QUE.—Alexander Hurry, manager for Canada of Northern Assurance, was reelected president of the Canadian Underwriters Association at its annual meeting.

Vice-president and chairman of fire branch is R. H. Leckey, Aetna Fire, Toronto; automobile, D. K. MacDonald,



ALEXANDER HURRY

London Assurance, Montreal; casualty, W. C. Butler, Pearl Assurance, Toronto.

In his presidential address, Mr. Hurry stated that a rate war among the non-tariffs in Canada resulted in the establishment of an association of non-tariff companies.

"There has always been a free market for insurance," he said, "because a company which kept outside our agreements and did not contribute to the cost of our services could always pick off better than average risks at a cut in rates so long as there were not too many such free lances. Today the non-tariffs are many and strong, but that very fact has led to a rate war within their own ranks and the greatest possible justification for the principle of tariff agreements is shown in the fact that the companies outside the C.U.A. have found it advisable to form an association for mutual conference and the support of sound practices.

"In your name I have extended congratulations to our competitors and have indicated to them our readiness to cooperate at all times in any matters affecting the good of the business as a whole. Already we have had occasion to meet and agree in certain matters, and I am not without hope that the two bodies may one day find a basis for complete cooperation. Two associations with the same object in view do seem to be an expensive luxury."

Mr. Hurry dealt briefly with the gigantic war job being conducted by the C.U.A. at no cost to the Canadian government. He said submission to the government that heavy burden of taxes on stock companies is discriminatory in favor of mutuals is being pressed and some progress is evident.

J. L. Isley, Canadian minister of finance, reviewed the history of the war risk insurance scheme in Canada.

Dominion Superintendent Finlayson said the C.U.A. was formed to meet a public need and its existence had avoided unjustifiable duplication and expense. There was a large and representative attendance of officers from agents' associations.

Progress in Ohio Inspection Work Continues

Fire insurance field men in northern Ohio are continuing their inspection of war plants not on the army master responsibility list, using a six-page form which was devised some months ago. Activity along this line in other parts of the state will be undertaken more extensively when Washington has approved a four-page form submitted to officials there some weeks ago by the Ohio organizations in charge of such inspections. Preliminary inspections are now being made, with the use of a one-page form. If the information compiled on the one-page form does not in the opinion of officials justify a further inspection, none will be made. If the information does indicate that a more complete investigation should be made, this will be undertaken later when the four-page forms, which have been passed around from one department to another in Washington, are approved and sent to Ohio.

The fire insurance inspectors, who are members of the Fire Prevention Association of Ohio, are expected to inspect war plants which are not directly under the supervision of the army or navy.

Field men desiring to engage in the inspection work must fill out a questionnaire, giving their name, address, telephone number, time that can be spent on the work, territory, training, automatic sprinkler training, experience, special qualifications, etc. It is expected that some who were engaged in the inspection work some months ago may be asked to take a refresher course before starting out again. It has been intimated, however, that unless the new forms are received soon, little will be accomplished this summer.

In the meantime public and state officials in Ohio, field men and others are waiting for Washington to approve the form submitted to it weeks ago, so that they may proceed. Henry W. Lyndall, Cleveland, head of the facility security work in Ohio, has appointed a committee consisting of State Fire Marshal Ray Gill, E. F. Gallagher of the Ohio Inspection Bureau, C. W. Little, president of the Fire Prevention Association of Ohio, and eight other fire insurance men to assist him in designating men to make the inspection.

POSITION WANTED

In Detroit, Michigan by a thoroughly experienced fire, casualty and bond man, draft exempt. Well qualified to act as general manager of a large insurance agency, having had 25 years experience as such. Fine record as a producer. Best of references. Address Box S-20, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Assistant needed in Improved Risk Department in Chicago Office of large Fire Insurance Company. Splendid opportunity. State experience and qualifications. Address S-22, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Capable executive to understudy Secretary of N. Y. State Trade Assn. Write to COS, P. O. Box 269, Mount Vernon, N. Y.

WANTED

GENERAL LEDGER BOOKKEEPER including collections and correspondence, by substantial Chicago agency. Splendid opportunity for advancement. Address S-23, care of The National Underwriter, 175 West Jackson Blvd., Chicago 4, Ill.

Pearson Is Elected Head of Indiana Field Men

INDIANAPOLIS—John D. Pearson of Glens Falls was elected president of the Indiana Fire Underwriters Association at the annual meeting held at Lake Shore Country Club. He succeeds George R. Pritchett, American, N. J., who presided. Other new officers are: Vice-president, Gus J. Daseke, Phoenix, Conn.; secretary-treasurer, Miss Elizabeth S. Cooper (reelected). Executive committee—Two years, Ralph W. Hudler, Aetna Fire; L. D. Swisher, Norwich Union; one year, W. W. Foster, Atlas, and H. D. Mullins, National Fire.

An attendance of about 100 was recorded.

On behalf of the association Jas. A. Bawden, Springfield F. & M., presented Mr. Pritchett a silver plate appropriately engraved, as evidence of a new radio to be delivered at Mr. Pritchett's home. Mr. Bawden made a clever presentation speech, presumably reading from an inspection report which he held in his hand. It was the so-called "blue form" which is used for "feed mills," and from the description of the risk it would hardly pass any company underwriter.

Remember Service Men

It was voted to send a special letter to each member in armed service with prints of snapshots taken at the meeting by Richard Hubbell, State of Pennsylvania, and a picture of the association's honor roll plaque.

New men in the field elected as members were W. H. Crandall, Aetna Fire; Donald J. Paul, National Fire, and Harold L. Newton, Boston and Old Colony.

Messages were read from W. N. Achenbach, Aetna Fire; Charles F. Thomas, Western Underwriters Association; Richard E. Vernor, Western Actuarial Bureau; A. O. Andersen, Fireman's Fund, and William E. Matchett, Continental, all of Chicago, and L. A. Finch, Underwriters Adjusting, Cincinnati.

Samuel P. Rodgers, vice-president State of Pennsylvania, was a visitor.

Entertainment Features

There were 40 entries for horseshoes, an all-time high. A. W. Schmadeke, Paramount, was in charge.

For a clear cool day after a week of sultry weather with frequent showers, the committee on arrangements of which Gus J. Daseke, Phoenix of Connecticut was chairman, was given credit.

W. W. Foster, Atlas, headed the committee on sports.

Chas. W. Barger, Caledonian, was master of ceremonies at the annual dinner, at which prizes were awarded.

Reports Year of Achievement

Mr. Pritchett reported a year of achievement for the association. It took the lead in preparation of a manual to provide prospective agents with material necessary to qualify for license by the Indiana department in collaboration with representatives of other organizations. It covers the fire and casualty-surety field.

Mr. Pritchett mentioned specially the participation in this compilation of the Indiana Casualty & Surety Managers Association.

Another outstanding achievement of the year was the conduct of a school on plant inspection through which was created a group of inspectors for war production plant service, so well qualified that the governor of Indiana delegated them through the fire marshal's office, to carry on plant inspection work in Indiana. This work is now being carried on intensively by the Indiana Fire Prevention Association. Sixty-five members responded to the call for special training in auxiliary firemen's schools.

Improvement of conditions in the state is reflected in the greatly reduced call for the application of the "balance rule." He called attention to the fact

Urges Action in Concert on New N. Y. Policy

R. D. Hobbs, secretary of the uniform forms committee and manager of the Western Actuarial Bureau, has sent memorandum to companies warning that adoption of the 1943 New York standard fire policy in any state by a single company or a limited number of companies would result in so much confusion that it would reflect seriously on the business. He asks that companies take no independent action but wait until needed adjustments have been made in uniform

that 17 members of the association were now in active service.

In connection with the "apparent inroads being made by governmental agencies on private enterprises," he urged that field men individually and collectively, should be ready to combat any challenge of an unfriendly nature.

Among those present from outside the state there were C. G. Rogers, M. A. Jenckes and C. D. Redman of the Western Factory Association and C. R. Watkins, executive special of New York Underwriters, Chicago.

forms. He said the problem is being studied carefully with a view to adapting the uniform forms to the provisions of the new policy when the companies generally decide to use the policy in a given state.

Mr. Hobbs said that if companies went ahead and acted independently they would have to make special filings to legalize their actions and prepare special forms to supersede the uniform forms. Furthermore, since more than one company is often on a given line non-concurrence is bound to result. He said that the committee's study has brought out the following points:

1. A minimum of 100 different uniform forms for each state would have to be revised to avoid conflict with the new policy provisions. This will necessitate the printing of several million forms for each state, that an adequate supply may be sent to each agent.

2. Appropriate changes must also be made in the windstorm policy and the extended coverage endorsement.

3. The published rules and filings of the rating bureau will also have to be changed.

4. Distribution of the new forms to all agents and companies.

Mr. Hobbs said that recent revision of the dwelling and household furniture form shows that serious delays may be anticipated in obtaining necessary paper.



"Intensive air bombardment of the Axis by the United Nations is most likely to result in retaliation by our enemies"—is the opinion expressed by many high-ranking officials. The Office of War Information reports that post-war flights between the Capital and other cities will be possible on the following schedules:

Less than 7 hours to Mexico City • 10 or 11 hours to Paris or London • 16 hours to Moscow • 22 hours to Tokio • 24 hours to Shanghai or New Delhi

Every part of this country is therefore susceptible to attack!

OUR GOVERNMENT HAS ASKED THE INSURANCE INDUSTRY TO URGE EVERYONE TO CARRY WAR DAMAGE INSURANCE!



1841 • SECURITY—THE NATION'S WATCHWORD • 1943



If the insurance your policyholders are carrying today is based on yesterday's values you and they may be sitting on a powder-keg! Insurance written three years or one year ago, or even within the past few months, may be inadequate now. Many policyholders are under-insured in line with increased replacement costs. This situation is dangerous, especially so when the policy is written on a co-insurance basis.

That the Co-insurance Clause is a most important condition when a part of the contract—particularly today—has been proved in many recent adjustments. According to reports from adjusters, many property losses have been inadequately covered because the insured through his agent did not keep up his insurance to value. As a result when the Co-insurance Clause was applied in adjusting his claim, the insured suffered a financial loss uncollectible under his policy.

The Co-insurance Clause is a vital and extremely "live" subject under present war conditions, and your policyholders should know how it affects their present coverage and future losses. Our "Co-insurance Clause Explained" folder is acknowledged by "Credit and Financial Management" and others as the best explanation of its kind. Copies will be furnished on request by our Advertising Department.

THE PENNSYLVANIA FIRE INSURANCE COMPANY
 THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK
 THE MERCANTILE INSURANCE COMPANY OF AMERICA
 THE HOMELAND INSURANCE COMPANY OF AMERICA

NEW YORK ♦ PHILADELPHIA ♦ BOSTON ♦ DETROIT ♦ CHICAGO ♦ SAN FRANCISCO

Cincinnati Get Tips on Topics of Day from J. C. O'Connor

CINCINNATI—Responding to a return engagement request, J. C. O'Connor, editor Fire, Casualty & Surety Bulletins and associate editor of THE NATIONAL UNDERWRITER, addressed a meeting of agents and solicitors of the Cincinnati Fire Underwriters Association. The recently enacted amendment to the Ohio financial responsibility law and the opportunities it gives agents to get business were discussed by Mr. O'Connor. He also explained renewal requirements for War Damage Corporation coverages. He discussed recent developments in forms such as the residence burglary and theft, use and occupancy and rental value coverages, and conditions relating to government restrictions now affecting insured having such coverages. He stressed the importance of selling comprehensive liability to store owners at this time.

Mr. O'Connor outlined the history of the obligation of government to pay property damage claims of its citizens arising from wars. Some such claims are still pending going back as far as 1790. In every major war, the government has assumed the property damages suffered by its citizens through enemy attack. But the government wanted to put the handling of such claims on a sound business-like basis. Before the only way a citizen could collect was by having a bill filed in Congress. Though not as well publicized as bonus and pension claims of soldiers, the property damage claims of citizens have been constantly a matter of concern to the government and have caused much lengthy litigation. The speaker explained the experience of the British government in the last world war when an unsatisfactory effort was made to use the fire insurance companies to handle similar claims for England, most of which were from the limited Zeppelin raids of that time.

Obligation of the Industry

Our government has entrusted the insurance business with the responsibility of informing the public about and selling war damage coverages. This means insurance men have an obligation. The responsibility of agents is an individual one; to friends, to the government and the public. So agents must keep plugging away at this job of spreading information and writing war damage coverage. The job won't be finished until the war is over.

The Ohio financial responsibility law now has teeth in it, Mr. O'Connor said. It really puts a curb on irresponsible drivers. Before, anyone could have one accident and then had to be good thereafter. A driver could have one unsatisfied judgment. Now, an unsatisfied judgment means the person has lost his right to drive for five years. He must have proof of responsibility for an accident. A person can no longer drive in Ohio unless he can pay for any damage resulting from an accident in which he is involved.

Mr. O'Connor advised agents not to go into details about the law when selling. He suggested insurance need not be mentioned in the approach. He recommended a simple and direct approach such as:

"If you have an accident in this state and judgment is secured against you, someone has to pay that judgment. Either you must pay it, your friends or relatives must pay it for you, or an insurance company will have to pay it. If not paid, you just cannot drive a car again. If you think I don't know what I am talking about and believe this provision is not in the law, ask any good lawyer."

The young unmarried man with a second-hand car and the old alibi of "you can't get blood out of a turnip" is the type of driver who has been the most dangerous factor tending to cause a public outcry against irresponsible drivers.

If anybody brings about a state monopolistic fund for automobile damage protection, it is that irresponsible young fellow. Ohio agents can tell him now that, if judgment is secured against him, it has to be paid. If it isn't paid he just isn't going to drive an automobile.

This may not only be inconvenient, it may be business suicide. The ability to drive is often the key to advancement in business. A map clerk in an insurance office can not be promoted to field man if he cannot drive a car. In what position would a doctor be who cannot drive to see his patients?

Provisions of New Law

Also, Mr. O'Connor showed the importance of dwelling on the provisions of the new law with employers. Heretofore employers thought nonownership coverage took care of the situation for them regarding their employees. It did until the present law was passed. Though the employer is so protected now, he may be in an embarrassing situation if his best salesman has an accident over the weekend and there is a judgment to pay. The employer will either have to pay the judgment, perpetually hire a cab for his salesman, or get a new salesman. Agents can get employers to press their salesmen to carry insurance, with this argument.

Speaking about the new residence and outside theft policy, Mr. O'Connor emphasized that the agents now have a residence burglary policy which can be sold to the public and which will cover losses, without technicalities. The quicker agents forget the old residence burglary policy the better it will be. It was complicated and technical. It did not cover a lot of losses. Though it stated the exclusions definitely in the contract the public did not like to be told about what was not covered.

Wide Open Policy

Now the agents have a wide open policy a contract which states mysterious disappearance is presumed to be a case of theft. Under the old policy, even when a disputed loss was paid (for something that had mysteriously disappeared) it may have been paid after an argument. That left a bad taste with the insured.

The outside theft feature is selling the policy, many producers find. Persons are apt to think inside burglary of their homes is a remote possibility but most persons regard loss of property by theft while away from their castle as very probable at any time.

Insured recognize the companies are entitled to an additional premium for U. & O. and rental coverage on account of government restrictions delaying or preventing rebuilding. Every company has claims now pending where insured were refused permission to rebuild.

Discussing the comprehensive liability developments, Mr. O'Connor commented that nearly every store has sufficient liability to run up a hundred dollar premium. Now is the time to sell stores comprehensive liability coverage, he said. If an agent gets the store in the habit of buying it now, when money is plentiful business will not be lost to a competitor. But selling conditions may change later and business written now is likely to continue in times when it would be hard, or impossible to sell many stores such coverage. Minimum premium for the coverage is low. Agents can point out to their prospects they are getting the same coverage which the United States government and the army and the Defense Plant Corporation have made mandatory for firms handling government contracts.

Following Mr. O'Connor's talk, questions proposed in the discussion period showed the audience was interested in such things as the types of losses which might be covered under residence and outside burglary policy, the difference between the new residence burglary

IN U. S. WAR SERVICE

Staff Sgt. Ralph Angell, formerly assistant manager Safety & Claims Service, visited in Chicago on a furlough last week. Sergeant Angell is in glider pilot training at Lubbock, Tex., and expects to graduate as a flight officer next fall.

Jerome P. Bowes, II, whose father, Jerome P. Bowes, Jr., is vice-president of W. A. Alexander & Co. of Chicago, has graduated as a bombardier at Victorville, Cal., with the rank of second lieutenant.

Joe D. Iverson, Lincoln, Neb., local agent, who has been attending the school at Mississippi State College for officers of the army transportation corps, has been graduated and commissioned as a second lieutenant.

Walter Kent, formerly in the Des Moines office of Commercial Union, now an air cadet stationed at Drake University, is recovering in a hospital there from an appendicitis operation.

Paul McGee, who has been with the W. A. Lang agency of St. Paul the past year, has gone to Paris Island, S. C., for a marine training course. He formerly was with Globe Indemnity in Chicago.

Albert C. McArthur, Jr., formerly on the staff of R. N. Crawford & Co., Chicago, as assistant underwriter of the fire department, some time ago was reported to be captive in a Japanese prison camp. Word has just arrived in this country that he died "from disease" in a prison camp. William B. Sohm, assistant casualty underwriter, has gone into army service.

Gerald Faust, former local agent at Earlville, Ia., now in service, is stationed in New Caledonia.

E. W. Voges of Chicago, who has been special agent for the inland marine department of Great American in Ohio and Michigan for the past eight years, has entered the army and is stationed at Camp Grant, Rockford, Ill.

L. E. Van Arsdale of Louisville, special agent of Royal-Liverpool, has been accepted for army service.

Jarl T. Sorenson has been commissioned as lieutenant (j.g.) in the naval reserve for active security and damage control duties. In order to accept active naval duties, Mr. Sorenson secured release from the war department, from his former work as senior inspector, plant protection and industrial safety, internal security division, seventh service command, Omaha. Since May of 1942 he has been on a leave of absence from North America for which he had served as engineer, special representative and field man with Chicago and Omaha service offices and in the Iowa field.

Lieut. (j.g.) R. Michael Fox of the Fox & Fox agency of Indianapolis has arrived in London to begin duties as insurance officer of the navy in Europe. Heretofore he has held a similar position in the third naval district, New York.

Birchard Peterson of the Flood & Peterson agency, Greeley, Colo., is in army service and stationed at Salina, Kan. The agency is being operated by Barney Flood.

policy and the personal property floater, the place of depreciation insurance in clients' programs and under rental policies the application of a furnished or unfurnished rent value.

Theodore Gray, executive secretary of the Ohio Association of Insurance Agents, came from Columbus to attend the meeting. A delegation of agents from Hamilton also was present.

The report of the educational committee under the co-chairmanship of Walter Alexander and George Wilson was read by Gus May, president. He announced the new insurance course to start with the fall semester and extending over two years. The course will be conducted in cooperation with the University of Cincinnati.

COMPANIES

Globe Indemnity Acquires 95% of Va. F. & M. Shares

RICHMOND—The Globe Indemnity has secured more than 95% of the capital stock of Virginia Fire & Marine, and for the benefit of those stockholders who had not yet deposited their stock, a 60-day extension has been granted in order that all stockholders may be enabled to



H. T. CARTLIDGE

avail themselves of the offer of Globe Indemnity.

At a meeting of the board, the following directors were elected: Wm. H. Palmer, Jr., H. H. Augustine, P. B. Watt, H. Hiter Harris, W. Owen Wilson, B. C. Lewis, Jr., all of Richmond, and Harold Warner, Kenneth Spencer, Harold T. Cartlidge of New York.

Mr. Warner is U. S. manager of Royal-Liverpool; Mr. Cartlidge is deputy manager, and Mr. Spencer is president of Globe Indemnity.

The officers are: Wm. H. Palmer, Jr., chairman emeritus; H. H. Augustine, chairman; H. T. Cartlidge, vice-president; B. C. Lewis, Jr., vice-president and secretary; J. C. Watson, treasurer; J. H. Baker, assistant secretary; B. P. Mallory, assistant secretary.

The continuation of Mr. Palmer as a director and the creating of the title chairman emeritus especially for him is in recognition of the long service which he and his family have rendered. His father, the late Col. Wm. H. Palmer, served as president from 1889 to his death in 1926, and Mr. Palmer, Jr., has been a director, vice-president and chairman.

Statement by Cartlidge

Mr. Cartlidge, as representative of the principal stockholders, stated:

"We wish to record the high regard which we entertain for the Virginia Fire & Marine. Its enviable record over the long period of its existence justifies a feeling of satisfaction and of genuine pride on the part of the company's stockholders, directors, officers, office and field staff, agency representatives, and all who have so well contributed to make this record possible.

"We also wish to record our appreciation of the courtesies extended during the recent negotiations by the chairman and the members of this board. There has been in evidence at all times a spirit of fairness and cooperation which can be regarded only as typical of so representative a body of Virginia gentlemen.

"The Globe Indemnity has been represented in Richmond throughout the 32 years of its existence by the Daven-

port Insurance Corporation and its predecessors, and for decades before, its parent company (the Liverpool & London & Globe) was so closely identified with the business life in Richmond that its name still appears on the building which houses that old agency. The interest of the new owner of the Virginia Fire & Marine in Richmond and Virginia affairs is, therefore, not a new one.

Continues as Richmond Institution

"As you are aware, it is the intention of the Globe Indemnity to operate the Virginia Fire & Marine as a Richmond institution, and while we desire, and with every expectation of accomplishment, to improve materially the position of the company, we can have no higher ideal than to maintain to the fullest degree the integrity and the traditions of the Virginia Fire & Marine which you have been instrumental in establishing. Be assured that this we intend to do and we are confident that this policy will bear fruits that will justify its indefinite continuation."

W. Owen Wilson, one of the new directors, is head of the Davenport Insurance Agency of Richmond and a past president of the National Association of Insurance Agents.

R. G. Clarke to Reinsurance Corp.

Robert G. Clarke has been elected executive vice-president of Reinsurance Corporation of New York.

Mr. Clarke graduated from Dartmouth in 1915 and took post-graduate work in civil engineering. He started as an engineer with the National Board. Later he served as special agent for Glens Falls.

In 1929 he became manager of the newly formed General Cover Underwriters Association and occupied this position until 1936 when he joined Great American as manager of the improved risks department. He was appointed secretary in 1937. In 1942 he became associated with the Shackelford agency, Baltimore, the position he now leaves.



R. G. Clarke

Nelson Assistant Secretary

Joseph Nelson has been elected assistant secretary of New York Underwriters. He joined the company in 1921 in the accounting department and has performed a number of duties including office administration and advertising and personnel work.

Trenbath, Parker to Grand Nest

E. W. Trenbath, Norwich Union, retiring most loyal gander of the Seattle Blue Goose, and Bruce Parker, incoming head of the pond, have been elected grand nest delegates. Candidates initiated at the annual meeting were L. H. Trantow, Washington General Agency; Clyde C. Fowler, Farmers Auto, and C. H. Preston, A. B. Knowles & Co.

A. M. Jones, Northwestern National, won the Lee McKenzie golf cup and H. O. Price, Gould & Gould, had low gross.

Proposes Free WDC Renewals

WASHINGTON—Because the surplus accumulated from premiums paid to the War Damage Corporation has not been appreciably depleted by losses, Senator Tobey of New Hampshire proposes in a new bill that WDC policies in effect at the date of enacting his bill shall be continued in full force, without payment of further premiums or other charges, for one year beginning on the date of expiration of such policies.

N. Y. Agency Men Confer on Branch Office Issue

NEW YORK—A. C. Wallace, Goshen, president of the New York State Association of Local Agents, was on hand for the meeting on the branch office question with representatives of the New York City, Brooklyn and Suburban associations. Others from the state association were R. M. L. Carson, Glens Falls, national director, and Frank Gardner, Jr., Poughkeepsie, member of the executive committee.

No action was taken on any of the points involved, the meeting being devoted to discussion of various aspects of the problem. The three metropolitan area associations are watching with interest what the National association will do, in view of the state association's decision at the annual meeting in May to cooperate with the national body on the branch office question.

Each of the three local organizations was represented by its president and executive committee chairman: New York City association—A. J. Smith and G. R. Michelsen; Brooklyn association—John Short and Albert Menard; Suburban association—Richmond Thompson, Valley Stream, and C. J. Schoen, Mount Vernon.

London Lloyds Sets Up Sifting Offices in U. S. to Aid BICO and Censors

London Lloyds now has set up sifting offices in Chicago and San Francisco, in addition to BICO (British Insurance Communications Office in New York), for the purpose of relieving the latter office of as much detail work as possible in passing on submissions to London. David J. Kadyk of Lord, Bissell & Kadyk, Chicago, in whose law office as attorneys for London Lloyds the Chicago sifting office is located, is in charge there and Arthur R. Krause, former assistant arbitrator of the California Surplus Line Brokers Association, is in charge in San Francisco.

Operation of the plan was explained at a meeting of London Lloyds agents in Chicago by George Menges, who is in charge of BICO in New York, and his assistant, Percy Holford. Both are London underwriters assigned to BICO, the war time security project. Mr. Kadyk presided.

Submissions ordinarily sent to London now go to the sifting offices—BICO acting for the east coast. Binding authority holders must submit their proposals on a special form. All data except name of assured, location of risk and type of business then is forwarded to London Lloyds which bills the agent in this county on this anonymous risk. Vital information being eliminated, censorship is expedited. When the risk involves war projects, shipping, ocean cargoes, etc., the submission as before must clear through BICO. So-called "open market" submissions still must go directly to London. On any other risks the sifting or central offices decide whether the risks are of type that can be written at the quoted premium.

The main purpose is to reduce correspondence with London, thus also expediting service, it was explained.

London Lloyds is sending no more confirmation copies of letters, but is numbering all letters to a given agent consecutively and noting the contents of each envelop so they may be duplicated if they are lost in transit.

C. E. Buckton, 78, who retired in 1931 as secretary of Wm. H. McGee & Co., died in New York after a long illness. Before joining McGee in 1914 Mr. Buckton had been with British & Foreign. As secretary of McGee & Co. he was also head of the loss department.

Norton Associate Chicago Manager

Joseph H. Norton, prominent for years as a broker in Chicago and past president of the

Insurance Brokers Association of Illinois, has been appointed by Continental Casualty to succeed Henry Lustgarten as associate manager of the Chicago branch office. Mr. Lustgarten has just been advanced to resident vice-president of the branch with the elevation of Vice-president Norman Hoag to the home office in an important capacity. Mr. Norton, who has been connected with Continental Casualty since March 1 as an executive representative, was selected by Mr. Lustgarten as his aide. Mr. Norton has been developing business, particularly larger casualty lines, through established agency and brokerage connections, which activity will be continued and expanded.

Mr. Norton went with Continental Casualty after eight years as a successful Chicago broker. Previously he was a special assistant of Travelers for six years. It is believed by Mr. Lustgarten that his company and brokerage experience will be particularly helpful to brokers in production of new business.



J. H. Norton

New Mich. Forms for Compensation Are Distributed

LANSING—Forms to be used for reports under the Michigan liberalized compensation act enacted were distributed at a session of members of the workmen's compensation commission, department of labor and industry, and representatives of employers, labor, insurance carriers and legal counsel.

Suggestions offered for changes in the forms were minor and technical. Further recommendations may be received before the final forms are printed. The law becomes effective July 30.

Reporting Procedure Simplified

The new act simplifies reporting procedure since it establishes a direct payment system, compensation payments being started without necessity for signing and filing of a compensation agreement. Weekly receipts need no longer be filed by compensation recipients, also. It is expected that payments will be speeded and that less litigation will result.

Three basic reports are required, they being report of the injury, report that compensation has been started, and a report that compensation has been terminated, with reasons. In addition a quarterly report must be filed with the department relative to compensation paid in each individual case by the insurer or self-insuring employer. Reports of accidents involving no lost time no longer need be made.

Joyce Lindsey in Proper Niche

In reporting the new officers of the National Association of Insurance Women a mistake was made in identifying Joyce M. Lindsey of Oklahoma City, the recording secretary. She was incorrectly identified as from Kansas City.

John E. Reinhold, western manager of Rhode Island at Chicago, has returned to that city after having been on the Pacific Coast since January. He was to have been gone about three months but he suffered injuries in an automobile accident at the Golden Gate Bridge and he was hospitalized for some time.

Cal. High Court Upholds Pacific Mutual Vote Trust

LOS ANGELES—The California supreme court, in 4-2 decisions, disposed of four cases in the Pacific Mutual Life rehabilitation that clear up all the legal matters in dispute save one case, that of the measure of damages. This now is before the supreme court and a ruling is expected shortly.

The decisions, three in number, due to two of the causes being combined into a single ruling, upholds the voting trust plan, dismisses the plea of fraud made and holds the trial judge was not disqualified to hear the proceedings.

The most important of the cases was the dual one in which Commissioner Caminetti was petitioner, appellant and respondent; Pacific Mutual, et al, was respondent, and Wm. H. Neblett, et al, was petitioner, appellant and respondent. These two actions, combined into one because of their dual nature, attacked the validity and legality of the voting trust for Pacific Mutual. The opinion dwelt first on the contentions common to all parties. The court held that the voting trust does not constitute a new rehabilitation agreement for which court approval is required.

As to the contentions of Col. Neblett that the voting trust was invalid in that the then insurance commissioner, Samuel L. Carpenter, Jr., was a policyholder of Pacific Mutual and that Judge Vickers of the Los Angeles superior court was disqualified to sit in the statutory proceedings because his sister was a stockholder in Pacific Mutual, the court held that the law had been so amended as not to prohibit a policyholder from acting as conservator or liquidator, and he was not disqualified.

The second cause was an action in equity to annul all the orders and steps taken in the statutory proceedings; charges of fraud made; and to have the trial judge disqualified.

The last of the cases was an appeal from an order refusing to vacate certain orders affirmed.

Employers Group Announces Two Appointments

S. W. Currier has been appointed resident manager of the western Massachusetts department of Employers group, succeeding Raymond Prince, who is in service. Mr. Currier became associated with the New England department in 1926 as a special agent and recently has been connected with the New Hampshire department.

Paul G. Trout is made assistant resident manager of the Michigan department. He became associated with that department in 1936 as special agent and more recently has been in charge of production in that territory. Prior to going with Employers he was with Fidelity & Casualty and American States.

C. D. Babcock in New Post

SAN FRANCISCO—C. D. Babcock, editor-in-chief of the "Underwriters Report" since 1940, has resigned and become a member of the San Francisco staff of the United States Agricultural Extension Service. He will serve as emergency farm labor assistant in making available for the farmers of California the labor needed to carry on their activities.

Davis, Dorland Co. Expands

NEW YORK—The insurance brokerage firm of Clarence E. Cooper & Co. has been merged with Davis, Dorland & Co., Mr. Cooper becoming a vice-president and director of the latter firm and taking his entire staff to the combined office. Mr. Cooper organized his own firm 26 years ago.

Army Insurance Organization

(CONTINUED FROM PAGE 3)

superintendent of American Automobile at St. Louis and previously with Fidelity & Casualty in St. Louis and New York, and Lieut. A. B. Derickson, who entered the army as a private and went through officer candidate school in ordnance. Lieutenant Derickson was formerly assistant manager of Travelers in Philadelphia. L. W. O'Brien, formerly with Maryland Casualty, is the only civilian in the insurance branch, coming there from the insurance office of the engineer corps. Mrs. Anne P. Craft is statistician in the casualty section.

WORK OF FIRE SECTION

Maj. J. A. Munro, formerly manager of the foreign department of the Royal-Liverpool groups at New York, is chief of the fire and marine section. A graduate of Wharton School of the University of Pennsylvania, Major Munro spent six years with the American Foreign Insurance Association in Asia, South America and Europe, being branch manager at Calcutta, Rangoon and Singapore. He served on the interpretive committee on war damage insurance in New York and was in charge of the war damage program for foreign property.

The fire and marine section, in addition to supervisory duties over these coverages similar to those of the casualty section, also declares water marine and marine personal injury risks to War Shipping Administration in conformity with war department policy. Major Munro is assisted by Capt. P. W. Smith, formerly special agent for National Fire at Birmingham and before that engineer with the Southeastern Underwriters Association in Atlanta. Captain Smith, who entered active service about 14 months ago, is a graduate of Virginia Military Institute, where he also served as an instructor, and held a reserve commission in the cavalry. Lieut. W. D. Beaumont, whose commission is in the air forces, was formerly Baltimore manager for Marine Office of America and served with North America at the home office in Philadelphia and also with several Baltimore agencies.

Life Section Under Plumley

The life section is considerably in the public eye today because of its new supervision over group insurance plans of contractors. It has supervision over all life, accident and health and pension plans on the same basis as the other sections. Maj. H. L. Plumley, chief of the section, who entered the army late in 1942, was assistant sales department superintendent for Travelers at the home office and had been with Travelers since he graduated from Williams College in 1925, serving as district supervisor in Connecticut and Massachusetts.

CLAIMS SECTION

Capt. J. A. Hamilton of this section was formerly in the actuarial department of Metropolitan Life at New York and is known among actuaries for his outstanding studies on group insurance. Captain Hamilton is a graduate of Queens University, Canada, and a fellow of both the Actuarial Society of America and the American Institute of Actuaries. Lieut. Samuel Miller is another OCS graduate, entering the army as a private in 1942 and serving as an administrative officer at Ft. Devens, Mass., before joining the insurance branch in May of this year. Lieutenant Miller, a graduate of the University of Delaware, and associate of American Institute of Actuaries and the Actuarial Society of America, was with the actuarial department of Equitable Society at New York and made some important studies on occupational mortality and expense analysis.

Every member of the claims section,

of which Maj. W. E. Pullen is chief, has had at least 20 years experience in this work. This section examines loss reserves, medical expenses and loss payments under the war projects rating plan and supervises claim practices and litigation and develops standards for accident prevention, hospital and medical plans and other facilities required on war department projects.

Major Pullen came to the army eight months ago from U. S. F. & G., where he was assistant vice-president in the claim department. He is a graduate of William and Mary College and Indiana Law School and practiced law in Indianapolis, as well as serving in the claim departments of Travelers, Hartford Accident and National Surety. Maj. H. R. Greenlee came to the claims section from the home office of Liberty Mutual and was also with that company in Richmond, Minneapolis, Nashville and New York and practiced law in Massachusetts. Maj. A. C. Thomas, a graduate of the University of Illinois, was with Travelers in Chicago and previously in Dallas and Oklahoma City in the Travelers claim department.

All three members of the claims section served in the last war, Major Pullen in the army, Major Thomas in the navy and Major Greenlee overseas with the marines.

Bonding Section Personnel

The bonding section has jurisdiction over performance, payment, advance payment, fidelity, forgery, patent infringement and other bonds. It is in charge of Capt. W. C. Nelson, a graduate of the University of Alabama and a member of the bar of that state. Captain Nelson formerly operated his own local agency in Birmingham. He is assisted by Capt. E. P. Dickinson, who graduated from Georgetown University and Detroit College of Law and was a reserve officer in the air forces. Captain Dickinson came to the army from the Republic agency in Detroit and had previously been with the Detroit Insurance Agency.

Mrs. Ruth Montgomery Johnson, who has the title of assistant insurance examiner and attended Northwestern University school of journalism has been associated with Colonel Hill for over two years and is an invaluable member of the insurance branch.

FIELD SERVICE MEN

The field service section is the latest development in the insurance branch and one of the most difficult to perfect. In each service command there are now two insurance men. Usually one has a background of claim work and the other of underwriting, but each officer is called upon for every type of insurance work falling within the scope of the insurance branch. They are required to supervise and assist all procurement offices and officers within the service command area on bonding and insurance matters, report to the insurance branch on all problems not specifically covered by the regulations, examine and review qualification data of insurance carriers and advisors, policies, binders, medical and hospital plans, inspect all projects within their territories and report on the organization and operation of insurance facilities and supervise investigation of insurance claims and litigation. Each field service officer reports to Washington for consultation with the section chiefs as regularly as practicable.

In the first service command at Boston are Lieut. A. J. DeCicco, formerly an attorney in the claim department of Employers Mutual Liability of Wisconsin at New York, and Lieut. W. F. Hughes, formerly supervising underwriter for Fidelity & Casualty in New York. Both are OCS graduates. The insurance men in the second service command at New

York are Lieut. O. J. Rudser, an infantry reserve officer from the University of Minnesota, who was claims attorney for Employers Mutual of Wisconsin in New York and in Minnesota, and Lieut. A. R. Murphy, formerly assistant compensation and liability superintendent of Central Surety in Kansas City, who received his commission in the engineers through OCS.

Lieut. C. L. Robinson, who was with Employers Mutual of Wisconsin in Denver and received a reserve commission in the air forces at Dartmouth College, is in the third service command at Baltimore, as is Lieut. D. T. Ratcliffe, an ordnance OCS graduate, who was in the claim department of New Amsterdam Casualty at Richmond and graduated from the University of Richmond. In the fourth service command at Atlanta are Capt. J. E. Michell, a reserve officer in the quartermaster corps, formerly in the home office underwriting department of Hartford Accident, and Lieut. W. E. Noble, who had been with American Mutual Liability. Capt. V. O. Robertson, an infantry reserve officer and formerly claim superintendent of Glens Falls Indemnity in Columbus, is in the fifth service command at Columbus, together with Lieut. M. A. Coker, an OCS infantry graduate, formerly in the New York office of Liberty Mutual.

In the sixth service command at Chicago are Capt. W. J. Satterfield, who received his commission through the adjutant general OCS and was in the home office underwriting department of Maryland Casualty, and Lieut. W. A. Solum of the infantry, who graduated from the University of Michigan and was attorney for Travelers in Detroit. Capt. C. A. Stark, of the infantry reserve, formerly claims superintendent for Standard Accident in Minneapolis and who served with army intelligence before being transferred to the insurance branch, is in the seventh service command at Omaha. With him is Lieut. E. M. Ozanick, an OCS graduate, formerly underwriter for Hartford Accident in Chicago.

Capt. G. A. Arnold and Capt. C. E. Brake, both of the infantry, are field men in the eighth service command at Dallas. Captain Arnold was in the field for Employers Mutual of Wisconsin at Kansas City and Captain Brake was claim manager for Liberty Mutual in Memphis. Maj. G. A. Jackson, of the judge advocate general reserve and a veteran of the last war, is in the ninth service command at San Francisco. Major Jackson was claim superintendent for Lumbermen's Mutual Casualty at Los Angeles and practiced law there and in Atlanta. With him is Capt. J. S. Upham, a reserve officer in the signal

R. D. Guernsey Heads Risk Research Institute

NEW YORK—New officers of Risk Research Institute are R. D. Guernsey, Frederick Loeser & Co., president; K. C. Bell, Chase National Bank, first vice-president; H. I. Kleinhaus, National Retail Drygoods Association, second vice-president; G. E. Rogers, Robert Gair Company, secretary, and W. J. Fitzsimmons, New York "Herald-Tribune," treasurer. Mr. Fitzsimmons was the only new officer elected. The directors are those stated in THE NATIONAL UNDERWRITER last week.

The war damage bills pending in Congress were discussed and the matter was referred to the legislative committee of which Alfred Rothschild, Weiss & Klau Co., is chairman.

Commissioner Allyn Is Honored at Dinner

Friends of Connecticut's new insurance commissioner, W. Ellery Allyn, celebrated his appointment at a dinner in Hartford. Among the insurance men present were Fred H. Williams, general agent Aetna Fire; Peter M. Fraser, vice-president Connecticut Mutual Life; George E. Jones, vice-president Northeastern, and John A. North, vice-president Phoenix of Hartford. Commissioner Allyn was the recipient of several gifts, including a wrist-watch.

A clever program in form of an insurance policy contained a number of informal poses of Mr. Allyn.

Kay Heads Dominion Board

TORONTO—Edgar J. Kay, manager of Canada of North British & Mercantile, Montreal, has been elected president of the Dominion Board of Insurance Underwriters. R. Lynch Stalling, Sun, Toronto, is first vice-president, and William Lawrie, Phoenix of London, Montreal, second vice-president.

corps, formerly with the Upham Bros. general agency in Des Moines.

In the northwest service command are Capt. D. B. Hamilton, formerly claims superintendent for Lumbermen's Mutual Casualty in Newark, and Lieut. M. P. Crawford, formerly joint manager of Standard Accident at Atlanta. Lieutenant Crawford has two sons in the army, one overseas, Captain Hamilton, whose commission is in the military police, was a machine gun captain with the second division during the last war and was cited twice for bravery in action, receiving the Silver Star. He also has two sons in the army.

PERSONAL

Personal Effects, like most other things, have a greater value today than ever before.

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Group Studies Post-war, Air Problems

(CONTINUED FROM PAGE 1)

in Chicago, welcomed the convention, telling of the history of Chicago and Illinois and likening the legal profession to the signal corps, because the public depends upon it for information on vital matters. J. M. Slaton, Atlanta, former governor of Georgia, responded, appealing for the individualistic spirit of the insurance business.

G. M. Morris, Washington, president American Bar Association, said that the war activities of organized attorneys have now tremendous good will for the profession and called upon the lawyers to play their role in the peace to come. It will depend upon them, he said, whether the great problems of demobilization, international cooperation, conversion of war plants and the like will be handled in an orderly judicial manner or by arbitrary bureaucratic rulings. He described the 11 war service committees of the bar association and the work of lawyers in service in aiding service men and of civilian attorneys in helping their families. The first problems handled, he said, were matters such as instalment contracts

and other property difficulties, but now domestic relations cases are becoming more and more in evidence.

Due to a misunderstanding F. E. Thompson, former chief justice Illinois supreme court, was unable to address the meeting as scheduled. It was announced that his paper will be published in the association journal.

President Smith reported that the officers had considered holding regional meetings but transportation and hotel shortages had been too great a problem this year.

Because of the press of his duties as chairman of the American Bar Association house of delegates, Guy Crump, Los Angeles, was unable to make his address on Monday morning as scheduled. F. J. Marryott, Boston, assistant general counsel Liberty Mutual, who was booked for Tuesday, exchanged places with him.

James S. Kemper, president of Lumbermen's Mutual Casualty and former president of the U. S. Chamber of Commerce, gave a powerful address in which he expressed the opinion that an intelligent American foreign policy would do more to give the world a hundred years

and great commitments all over the world but has had neither a workable plan to forestall war nor any ready means to wage war effectively when we got into it. "We did not know where we were going and judging from Pearl Harbor we didn't know very much about where anybody else was going."

INSURERS JOSHED

The United States, he said, should now announce to the world certain definite objectives which we have. For instance, we should not make the mistake we did after the last war of not acquiring islands in the Pacific.

Mr. Crump's humorous talk, entitled "The Plaintiff's Lawyer's View of Insurance Companies and Their Counsel," which started off the Tuesday morning session, was delivered in a mock-ponderous style and had the audience laughing throughout. He devoted a considerable part of it to reading, with appropriate asides, from the proceedings of the American Bar Association meeting of 1896, when an insurance section was first proposed and voted down. A standing committee on insurance law was created in 1904, but the insurance section was not established until 1933, which Mr. Crump called the "longest period of gestation on record." He ended by proposing that plaintiff's lawyers and insurance company counsel join in "homage to the goose that lays the golden egg."

J. S. Kemper, Chicago, president Lumbermen's Mutual Casualty, was the other speaker of that session, speaking on "America Looks Ahead."

Association in Good Shape

R. B. Montgomery, Jr., New Orleans, secretary, reported 977 regular members and 279 additional members. Treasurer R. M. Noll, Marietta, O., reported a balance of \$25,851, of which \$15,000 is in war bonds. O. J. Brown, Syracuse, immediate past president, reported that the executive committee had held four meetings during the past two years.

The Tuesday afternoon session was split into two forums, one on air transport insurance problems and the other on practice and procedure.

Mayor J. G. Stewart of Cincinnati, was the speaker at the banquet, which attracted a full house. It was preceded by the social hour given regularly by the "Humble Humbugs," an active group within the association.

A reception for President Smith was held Monday evening. A telegram and flowers were sent to Mrs. Smith, who has been critically ill, but who is now on the road to recovery.

Henry Reed, New York, general manager North America, was the only speaker at the Wednesday morning session. He discussed "Marine Insurance, An Essential Industry for a Maritime Nation." His talk was followed by election of officers.

PROCEDURE FORUM

W. E. Benoy, Columbus, O., chairman insurance practice and procedure committee, conducted a roundtable discussion of several federal procedure rules. The committee report dealt exclusively with recommended amendments and Mr. Benoy explained that the Supreme Court is at present considering rule changes for the district courts.

L. P. Henry, Boston, vice-president and counsel American Mutual Liability, discussed discovery and production of confidential files under rule 34. The association committee has recommended that this rule be changed to limit its application to objects which would be legally admissible in evidence for any purpose other than an admission or an impeachment of a witness.

Rule 14, on bringing additional parties into a case, was discussed by Lon Hocker, Jr., St. Louis, and R. P. Hobson, Louisville. Mr. Hobson brought

(CONTINUED ON PAGE 11)



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JAMES S. KEMPER

of peace than all the so-called peace plans "that will be hatched between now and dooms day."

"America," he said, "still will hold the best cards in the deck after the war is over. She will be the most powerful nation in the world. If in the management of her relations with the rest of the world she can create a wisdom that will match her strength, she can build an American century and it will be a century of peace."

Behind all the imposing facade of world organization, leagues, court and councils the controlling fact for generations will be that all real sovereign power and 98% of all military force will reside in a small group of powerful states. They will be independent states and subject to no law but their own will, according to Mr. Kemper.

America must either formulate a foreign policy that will reduce the frequency of world war or must suffer the ruin that would come if we continue to fight a world war every 20 years. A foreign policy determines what a nation's vital interests really are—the things deemed essential to its security and for which if need be it is intelligent to wage war. A foreign policy attempts to figure out possible enemies and how and when they may attack and foreign policy must equip a nation with military power and strategic positions of attack and defense in relation to its potential needs.

For over half a century, Mr. Kemper said, the United States has had no real foreign policy. It has had great interest

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NEWS OF FIELD MEN

Minn. Field Men Hold Gathering

By ROY W. LANDSTROM

MINNEAPOLIS—War time problems and other current subjects were discussed by the Minnesota Fire Underwriters Association at its annual meeting and outing at the Del Otero Hotel at Lake Minnetonka. The business meetings were short, most of the time being given over to a full sports program.

New officers of the Minnesota Underwriters Association were announced last week. Carl H. Johnson, special agent Crum & Forster, is president.

The Minnesota State Fire Prevention Association meeting presided over by John G. McHale, state agent New York Underwriters, elected J. H. Klinkenborg, Phoenix of Hartford as president. Robert E. Cropsey, general agent Standard Marine, Walter Hunter, state agent Northern of N. Y., and H. M. Forrey, state agent Fire Association were elected vice-presidents. Elwood G. Harper, state agent Northern Assurance was reelected secretary.

Company officials in attendance included W. A. Seely, Freeport, Ill., assistant manager Crum & Forster; Robert L. Hanson, vice-president Minneapolis Fire & Marine; C. R. Bock, regional supervisor, L. & L. G. General agents in attendance were Wheaton Williams, representing Fred L. Gray; William Walsh; R. B. Nienhauser, R. M. Neely; Thomas G. Linnell, grand supervisor of the Blue Goose, and Robert E. Cropsey, general agent Standard Marine. Other guests were Charles Mehan, Minneapolis manager Western Adjustment, and Fred King, manager Underwriters Adjusting; Louis Youngbauer, manager St. Paul Inspection Bureau, and Edward Ritt, retired manager; Malcolm Buchanan manager of the inspection bureau at Duluth, and Clyde B. Helm, executive secretary Minnesota Insurance Federation.

The Blue Goose banquet wound up the meeting. Leonard C. Lund, deputy insurance commissioner, gave the principal address, after which prizes were distributed by Carl H. Johnson, Crum & Forster, who managed the sports contests.

Contest winners were: Golf, T. A. Valine, Jr., marine department, Phoenix; Robert L. Hanson, vice-president Minneapolis F. & M.; darts, James Tonskamper, Western Adjustment; Frank Brigham, William Walsh Co.; Roy Kerwin, L. & L. G.; fishing, Clarence Mitchell, Inspection Bureau; Andrew Phillips, National Union; horseshoes, E. F. Holloran, Hartford; Walter Paul, North British; clock golf, N. Dekker, America Fore; Glen W. Schodde, Home.

Frank S. Sather in his presidential address referred with satisfaction to the

delinquent agency balance rule that Chairman E. C. Bowe produced; to the entertainment provided to the local agents at the mid-year meeting, to the ground work that was laid with H. H. Folk of the Office of Civilian Defense.

Mr. Sather spoke with optimism about a business that persisted through good times and depression in a safe manner. He said that field men should at all times consider the prestige of their companies in the local communities and be discriminating in their agency appointments.

He referred to the fact that the National Association of Insurance Agents is about to embark on a public relations program and he suggested that the companies step up their activities also in this direction. He exhorted field men to take advantage of the public speaking class.

Bohrer Is Elected M.F.U.A. President

PORT HURON, MICH.—J. Frank Bohrer, Camden Fire, was elected president of the Michigan Fire Underwriters Association at the annual meeting here. Arthur Eliason, North America, is vice-president and George L. Stone, National Liberty, secretary-treasurer.

President Walter R. Ewald, Great American group, complimented various committee chairmen for their cooperation.

W. N. Achenbach, western department manager Aetna Fire, Chicago, representing the Western Underwriters Association, made some timely remarks. B. L. Hewett, Jr., assistant manager Boston, Lansing, and W. T. Benallack, secretary Michigan Fire & Marine, also spoke.

Mr. Ewald was presented with a victory bond and an inscribed gavel.

Campbell Heads Illinois Blue Goose

At the annual meeting of the Illinois Blue Goose held in Chicago Monday, Don C. Campbell, America Fore, was elected most loyal gander to succeed James P. Jana, Hanover Fire, who closed a very successful administration. E. M. Eichenberger, Royal-Liverpool was elected supervisor; John Hon, Loyalty, custodian; J. L. Cassell, London Assurance, guardian; A. J. Meyer, Automobile, keeper, and S. S. Leseth, Standard Accident, welder. Delegates to the grand nest meeting are Ganders Campbell and Eichenberger. R. S. Danforth, superintendent of agents Millers National, was chairman of the nominating committee.

It was announced that the pond has \$591.66 in bank. It has in its relief

fund \$299.12 and its war activities fund \$168.52. It was voted to send post-office money orders from time to time to members in the service rather than attempt to send any articles. There are 22 members now in the armed forces.

Life member certificates have been awarded by the grand nest to E. T. Tanner, Rockford, Security of Connecticut, and C. W. Good, London & Lancashire. Walter T. Foster, Home of New York, Peoria, was elected to membership. The death of James T. Coen, Home, Olney, Ill., was announced with deep regret. D. T. Harrigan, St. Paul F. & M., installed the new officers.

Centro Heads Ore. Blue Goose

Louis R. Centro, St. Paul Fire & Marine, was advanced to most loyal gander at the annual meeting of the Oregon Blue Goose. Waldemar J. Moe, Fire Companies Adjustment Bureau, is supervisor; Harold Larson, Seeley & Co., custodian; John E. Meeke, Fireman's Fund, guardian; Jack C. Neer, adjuster, keeper, and Keith Rhodes, Home, welder.

Mr. Centro also is president of the Special Agents Association of the Pacific Northwest, Oregon Division, the first time the same man has held both posts. Howard A. Reynolds, Home, San Francisco, most loyal grand gander, conducted installation of the new officers.

Holoubek to Handle Nebraska

OMAHA—Charles R. Holoubek has been appointed to take over supervision of the Nebraska field by Midstate Underwriters, Inc., Omaha general agents. Mr. Holoubek has been with the agency for a number of years.

Holloran Heads Alamo Pond

The Alamo Blue Goose, San Antonio, has elected these officers: Tom Holloran, Standard of N. Y., most loyal gander; S. A. Dunn, Hartford Fire, supervisor; Harold G. Reinhackel, America Fore, custodian; Warren L. Gravely, Home, guardian; Charles F. Nichols, Fire Companies Adjustment Bureau, keeper; Walter C. Storts, Traders & General, welder.

Jack Frazier, Loyalty group, past most loyal gander, was elected grand nest delegate, with A. L. Thompson, Springfield Fire & Marine, as alternate. George Henry, Royal-Liverpool, past most loyal gander, was installing officer, and Maury Pollard, Commercial Union, retiring most loyal gander, was presented a past most loyal gander pin.

New Iowa Officers Take Over

DES MOINES—Newly elected officers of the Iowa Blue Goose took over at the Monday luncheon, the last until September.

Most Loyal Gander Oscar Hansen asked for slogan suggestions in spon-

Blue Goose Grand Nest to Meet at Colo. Springs

Announcement was made this week that the annual meeting of the grand nest of the Blue Goose will be held at the Broadmoor Hotel, Colorado Springs, Sept. 21-23.

soring J. H. Bunten for the grand nest. A committee of officers will pick the one to be used.

Western Reserve Puddle Elects

The Western Reserve puddle of the Ohio Blue Goose in Cleveland has elected these officers: Big toad, George H. Wilkinson, National Fire; pollywog, John W. Weddell, Western Factory; croaker, R. T. Wagner, Fidelity-Phenix; bouncer, C. R. Tobin, Aetna Fire.

Hear Japanese Experiences

NEWARK—R. F. Moss, vice-president Scientific Concrete Service Corporation, Washington, told the New Jersey Field Club his impressions and experiences based on 30 years' residence in Japan, where he represented the Truscon Steel and Republic Steel companies. He returned to this country in 1940. F. G. Adams, Travelers, secretary, reported that there are 19 members in the armed forces. G. H. Martin, New York Underwriters, president, introduced Mr. Moss.

Raines Heads Ark. Pond

LITTLE ROCK—Sam P. Raines, assistant general agent for Coates & Raines, was elected most loyal gander of the Arkansas Blue Goose, succeeding Frank E. Wait of Shepherd & Co.

Supervisor is Walter Plangman, American; custodian, Jack McKenzie, National Board; guardian, Roy Bentley, Fire Companies Adjustment Bureau; keeper, George Hawbecker, F. & G. Fire; welder, Clyde B. Marshall, Phoenix of Hartford (reelected).

The pond now has a membership of 86, of which 14 are in the service.

Price Heads Georgia Pond

Georgia Blue Goose elected these officers at the annual meeting: Most loyal gander, Gordon F. Price; supervisor, John P. Holmes; custodian, Roy K. Hendee; guardian, John W. Morris; keeper, L. J. Saye; welder, Carl H. Lipold. Gordon F. Price was elected delegate to the grand nest meeting in August and John P. Holmes alternate. A dinner followed.

Eugene F. Conour, who was elected a member of the executive committee of the Illinois Fire Underwriters Association at the annual meeting was incorrectly identified as being with American. He is with North British & Mercantile.

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AS SEEN FROM CHICAGO

ADE MAKES APPOINTMENTS

Andrew Geier, chief underwriter of the S. B. Komaiko & Co. agency, Chicago, has resigned and gone with Charles Ade & Co. as office manager and chief underwriter. He has been in the business for 26 years, having started with Affeld, Tonk & Co. in 1917. Mr. Geier became casualty manager of Corey, Morehouse & Co. of Chicago in 1921 and then went with the Komaiko agency. He succeeds Edward Fikar in the Ade office. Mr. Fikar has gone into defense industry. Mr. Ade has recently taken general agency representation of Pennsylvania Casualty, Massachusetts Bonding, National Surety and Citizens Casualty of New York. Since the death of L. M. Risley, the department functions have been changed. L. M. Grubbe has been placed in charge of the cancellation and endorsement functions of the loss department; Miss M. Minicuc advanced to cashier and bookkeeper and E. Gold placed in charge of policy writing.

Mr. Ade has just returned from a visit to the home office of the Caledonian-American and then spent a few days in New York. Upon getting back he went to northern Wisconsin for several days of fishing.

JOINS NATIONAL ORGANIZATION

The Insurance Distaff Executive Association of Chicago has joined the National Association of Insurance Women. Several members attended the convention of the N.A.I.W. in Milwaukee.

PARKER BACK AT OFFICE

R. A. Parker, manager of the Cook County Inspection Bureau in Chicago, appeared at the office Tuesday of this week for the first time in a number of months since he was stricken. He intends to get back to work gradually. He will continue some of his treatments until he has returned to normal conditions.

JENS LEAVES NAVY POST

Arthur Jens, vice-president of Fred S. James & Co., Chicago, has returned to duty as a full-time insurance man after having served for nearly a year as chief of plant security for the Bureau of Ships of the Navy Department. Mr. Jens has been devoting about three weeks a month to the Navy work. The organization has now been perfected and Mr. Jens felt that he could gracefully step aside. Mr. Jens received an appreciative telegram for his work from Commander O. D. Colvin, who was his immediate superior and a letter that was signed by the lieutenants on his staff several of whom were formerly in the insurance business including Don Davidson, Russell Heath, E. J. Montgomery and "Andy" Anderson. Lieut. W. D. Fullerton is now chief of plant security for the Bureau of Ships.

TELLS OF CURTIS SURVEY

Fred Bremier of the Curtis Publishing Company analyzed the results of the insurance public opinion survey that his company has made before a meeting of Chicago Board members.

One question asked was what one company stands out in the mind of the person being interviewed as a leader in fire, automobile and casualty insurance. The fire company mentioned most frequently was Hartford, 5%; automobile, Travelers, 7.3% and casualty, Travelers, 6.7%. Of those interviewed 56.9% did not know any company to name. Mr. Bremier said that companies that kept their names simple or used nicknames were most commonly remembered.

Another question was whether the

customer specifies the company or lets the agent do it. Of those interviewed, 38.2% specify the company and 61.8% let the agents specify it. Of those interviewed that own homes 97.7% carried fire insurance and 71.4% had fire insurance on personal property. Of the persons who owned an automobile 62.8% carried fire and theft, 68.9% P. L. Only 6.4% carried residence liability and 40.3% had personal accident coverage.

To the question, "Without considering cost or amount what kind of insurance in addition to what you already have do you think you might need to complete your coverage?" Fire coverage on personal property had the highest percent, 42.6; next was personal accident, 21.1%.

MANNING OFFICE MANAGER

Paul Manning, formerly comptroller of the Rit Products Corporation, Chicago, has joined Fred S. James & Co. in Chicago as office manager. This is a new position in the agency. Mr. Manning's earlier experience was with General Foods. A graduate of Kent College of Law he was licensed to practice in Illinois. He is a past president of the Office Management Association of Chicago and a director of the National Office Management Association. He has always taken a prominent part in the annual seminar on office management that is conducted in the spring by Northwestern University.

Insurance Counsel Group Holds Annual Gathering

(CONTINUED FROM PAGE 9)

out the possibility of an insurance company being made an additional defendant in a liability suit. The committee recommended that the rule be limited to additional parties who are under the jurisdiction of the court. Mr. Hoehner also discussed rule 30, on despositions.

D. J. Kadyk, Chicago, discussed rules 52, 58 and 59, on judgments and new trials. The committee took the position that these rules are not specific enough to avoid expensive and burdensome procedural questions and should be clarified.

Other rules to which the committee recommended amendment are 6, on extensions of time, 36, on admissions of facts, 49, on special verdicts and interrogations, 62, on stay of proceedings to enforce judgment, and 73, on appeals.

Court Acts in Republic Case

LOS ANGELES—Department 34 of the superior court of Los Angeles county has issued an alternative writ of mandate on petition of Republic of Dallas directed to Commissioner Caminetti in regard to the cancellation of policies ordered by the commissioner as the result of hearings held earlier in the year. The writ is returnable in five days. The company seeks to have Caminetti's action reviewed by the courts and to prevent him from carrying out his order.

R. E. Kipp Brokers' Head

R. E. Kipp of DeLanoy, Kipp & Swan has been elected president of the Insurance Brokers Association of New York. M. B. Dutcher of Frank & DuBois is first vice-president; J. F. Brennan, Rollins, Burdick, Hunter Company, second vice-president; S. S. Gray, McLean & McLean, treasurer, and George W. Will, Stewart, Hencken & Will, secretary. N. C. Spitz of Klein, Chapman & Spitz, was elected secretary of the Broker-Age Corporation. C. L. Despard was chairman of the nominating committee.

Julian Lucas of Davis, Dorland & Co. was presented with a handsomely engrossed book in which each director had signed an appreciation of the work done by Mr. Lucas over a period of years in formulating and bringing to

successful use the new standard fire policy for New York.

Again Postpone Return of New York Subpoenas

The return of the New York subpoenas on the National Board and the various cotton insurance groups that was due June 26 in connection with the Department of Justice's anti-trust litigation, has been postponed. This was the second postponement within a month. In the meantime discussions are continuing with the government. Wright, Gordon, Zachary, Parlin & Cahill of New York are general counsel for the special committee of the National Board in this litigation.

Unity Fire Surplus Increased

NEW YORK—A further contribution, amounting to slightly more than \$100,000, has been made to the surplus account of Unity Fire, President J. A. Heinze announces. The sum represents a release of deposit granted by the New York department from the funds of the Union Fire of France which are on deposit. The Unity's June 30 statement will reflect this additional contribution.

Riverland Loss Is \$25,000

Riverland, the big race horse that was destroyed the other day after suffering a broken hip, was insured with Lloyds for \$25,000 and not \$40,000 as

Adverse Fire Insurance Bills Killed in Illinois

Several bills in the Illinois legislature that had been watched with interest by fire insurance people failed to pass at the session which was scheduled to close Wednesday evening. One of the bills that was buried would have enacted a valued policy law in the state. Another bill that was tabled would have prohibited the practice of "separation" in the state by making it illegal for insurers to enter into combinations to cause any agent to refrain from representing other such companies.

One bill that had a chance of passage up to the end excluded from the definition of war, riot and explosion insurance, explosion of steam boilers and breaking of fly wheels on premises owned, controlled, managed or maintained by the assured.

A bill that had a chance to pass would permit the farm mutual companies to insure against the hazards included in an extended coverage endorsement.

The insurance committee tabled a bill to subject the payment of dividends of domestic mutual insurers to regulation.

The bill to subject to tax lien fire and windstorm insurance proceeds was defeated.

was stated in the June 24 edition. Part of the insurance was placed through All Risks, Inc., of Chicago. The owner desired more coverage than he had.

*FIGHTING MEN OF AMERICA—No. 1

1775



When the Flag had Only 13 Stars

When war was declared on July 6, 1775, Congress issued this statement: "We . . . find nothing so dreadful as voluntary slavery . . . In defense of freedom we have taken up arms." The American flag was first raised on January 1, 1775, with thirteen alternate stripes of red and white representing the thirteen colonies. The Stars and Stripes was first raised over Fort Stanwix the following year.

If you would like a poster-size reprint in color of this soldier of 1775, together with a descriptive booklet called "Planned Progress" on business development for insurance men, write to:

Boston Insurance Company
Old Colony Insurance Company
 87 Kilby Street, Boston, Massachusetts

*The first of a series of illustrations depicting American soldiers of seven wars.

FIRE ENGINEER

This man with a definite draft deferment has had 13 years as fire prevention specialist and the last year in charge of fire prevention at a navy base.

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EDITORIAL COMMENT

An Interesting Task for I. A. C.

In promoting the sale of auto P. L. and P. D. insurance in the wake of the New York type of automobile financial responsibility law, some interesting lessons in the effectiveness of various types of advertising can be learned. It would be worth while for the Insurance Advertising Conference to make a study of what was done in New York state and what is now being done in Indiana, Michigan, Utah and Oregon and to report, as a guide for use of companies and agents in other states in the future, advertising techniques that produced the best results.

A great deal of direct by mail solicitation is being conducted in Indiana at this time. The law becomes effective there Aug. 1.

One fact that seems to be indicated in Indiana is that advertising literature upon which is plastered prominently the name of the agent with the name of the insurer subordinated, has far greater pulling power than when the name of the insurer is featured and that of the agent is subordinated. One agent, for instance, mailed 5,000 pieces of literature furnished by his company in which the name of the company was very prominently displayed and the agent's name was inconspicuous. He got but one reply whereas agents that sent out literature with their names conspicuously placed got very satisfactory results.

Another fact seems to be that regardless of the very great degree of compulsion to insure that exists in this type of law, an agent must still engage in some sort of advertising in order to reap any benefit. Extremely few motorists are walking into the offices of non-advertising agencies to request insurance, whereas those agencies that have done newspaper or billboard advertising, that have engaged in direct mail solicitation or have done radio broadcasting are getting more orders than they can handle promptly and are frequently unable to follow up leads. Results from radio advertising seem to

have been particularly effective in Indiana. In this connection it seems to be true that the best results are obtained by good sized agencies because a small agent is not able to handle the business that such broadcasts develop.

The advertising men might profitably investigate the type of list that is the most productive to circularize by direct mail. Most of the agents in Indiana report that the best list consists of customers of the agency that do not carry auto P. L. or P. D. with that agency. Of course many such motorists have their P. L. and P. D. with other agents but there is also a large number that have not been carrying the insurance at all.

Several agents say that they have received calls from assured that carry P. L. in limits of 5/10 and P. D. in 5,000 limits inquiring whether their present insurance is adequate under the law. The financial responsibility law refers to \$11,000 of insurance meaning the top P. L. limits of \$10,000 and P. D. limits of \$1,000. That reference has been confusing to some motorists.

Some agents have success in inducing large insured to post notices about the financial responsibility law and the insurance feature or to circularize employees and to announce at the same time that the agent will be at the office at certain hours to answer questions and to write the insurance if desired.

The chances are that this type of law will be enacted in other states in the future and the agents there we believe would appreciate knowing rather definitely what schemes have been the most productive in New York, Indiana, Michigan, etc. Of course individual companies, having gained experience a year or so ago in New York have been able to give good advice to agents in Michigan and Indiana and Oregon but the composite experience would probably be even more valuable. Perhaps such a project could be undertaken jointly by the I. A. C. and N.A.I.A.

What Kind of Federal Regulation to Expect

The self-inflating power complex of the bureaucratic mind that makes the insurance business and the states leary of federal regulation of insurance is usually too shrewd to display itself openly but a good example of this "I am the law" attitude was smoked out at a proxy rules hearing of the securities subcommittee of the House committee on interstate and foreign commerce.

At this hearing Milton Freeman, as-

sistant solicitor of the securities & exchange commission, was being questioned by committee members about a New York "Times" article which quoted him as saying, in connection with a provision in the SEC's new proxy rules:

"We do make the law. This regulation, if valid, will upset all the laws contrary thereto."

Mr. Freeman denied having made such a statement to the New York

"Times" reporter but after considerable questioning by Representative Boren of Oklahoma he finally conceded that the statement accurately reflected his views.

"I believe," he told the subcommittee, "any law of Congress or any rule adopted under it, if it in any way conflicts with a law of a state, it supersedes that law."

If Mr. Freeman's belief is correct it stands in interesting contrast to the theory that federal regulation of insurance would be a mild sort of affair supplementing but not interfering with regulation by the states. If Congress were to place the insurance business under federal regulation the administering agency, under Mr. Freeman's principle, could override any state law or regulation governing insurance.

Of special significance to the insurance business is that if Congress were to extend federal authority to interstate life insurance transactions the SEC might well be regarded as the logical regulatory agency. Evidence of this is the fact that it was selected to conduct the temporary national economic committee's insurance investigation, which confined itself to the life branch only

because of the shortage of money and time. The SEC's eagerness to discredit state supervision of life insurance and to prove that federal regulation was necessary indicated an obvious willingness to shoulder the burden of insurance regulation.

Finally, the eminence of Mr. Freeman's position in this important agency of the government and the circumstances under which he spoke rule out the possibility that he was speaking idly or irresponsibly. It must be assumed that his statement that any rule adopted under any law of Congress supersedes state law in the event of a conflict is an accurate reflection of the SEC's official attitude and working philosophy.

Advocates of federal supervision of insurance are fond of saying that the insurance business's attitude is inconsistent because until fairly recent years many prominent insurance men were outspokenly in favor of federal regulation. The answer seems to be that those views were expressed long before federal regulation had grown into the position which would permit the whims of a handful of bureaucrats to override the statute of every state in the union.

PERSONAL SIDE OF THE BUSINESS

J.R. McLaughlin of Omaha, Nebraska state agent for North British & Mercantile, has completed 25 years with the organization. He started as special agent in Nebraska for Commonwealth and Mercantile. When the latter company was transferred to the A. J. Love & Co. general agency he continued for Commonwealth only. In 1923 he took over the jurisdiction of Pennsylvania Fire and in 1925 became state agent of North British, too. At present he supervises all of the agencies of North British, Pennsylvania Fire and Commonwealth.

Mr. McLaughlin practiced law at Missouri Valley, Ia., for eight years and served as county attorney for Harrison county for two terms. He also conducted a local agency business.

Frederick M. Kafer of Kansas City, special agent for Appleton & Cox in Iowa and Nebraska, captured a thief in the Kafer apartment at 114 West 45th street. The thief had previously ransacked five other residences. Mr. and Mrs. Kafer were sitting on the porch of their apartment. A neighbor saw two young men approach the rear. One stood outside while the other cut a hole in the screen door. The neighbor informed the Kafers and Mr. Kafer went to the rear. The lookout fled and Mr. Kafer collared the other man in the kitchen and held him with the aid of neighbors until police arrived. The thief had on his person considerable loot including Mrs. Kafer's purse.

Frank J. Wittliff, adjuster at Port Huron, Mich., has received word that his son who is a major in the air corps has been decorated for service in North Africa.

Bert E. Mitchner, director of revenue in Kansas and a local agent of Hutchin-

son, Kan., was in Chicago attending the annual convention of the National Association of Tax Administrators.

Rexford H. Conant, special agent in Los Angeles of the Loyalty group, and his bride, the former Mrs. Merle A. McNamara, have returned from their honeymoon at Yosemite. Mrs. Conant is in insurance work in Los Angeles and is a member of the Insurance Girls Service Club.

W. P. Huffman, Kentucky state agent of National of Hartford, was stricken with a heart attack at Ashland, Ky., Monday. He is now at St. Anthony's hospital in Louisville. It is reported that he is showing improvement, and it is believed he is out of danger.

Edward B. Leighton, Ohio state agent of Continental, Cleveland, recently underwent a rather serious operation. He is confined to St. Luke's Hospital in Cleveland.

OCD Joins Fire Waste Body

The U. S. Office of Civilian Defense has become a member of the National Fire Waste Council and will join actively in the effort to reduce the annual fire loss. The council now has 33 member organizations.

Norton Sells Business

Joseph A. Norton, who operated the brokerage firm of Cahill & Norton in Chicago, has sold the business to Robert J. Migely, who is associated with the John Naghten & Co. agency of that city. Mr. Norton March 1 became connected with the Chicago branch office of Continental Casualty. Mr. Migely will continue to operate from the Naghten office.

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A black and white portrait of a middle-aged man with short, dark hair, wearing a dark suit jacket, white shirt, and dark tie. He is looking directly at the camera with a neutral expression. The background is a light, textured gray.

A black and white cartoon illustration of a boxing match. In the foreground, a boxer in a crouched position is being hit by a large, muscular opponent who is flying through the air. The scene is set in a boxing ring with a crowd of spectators visible in the background. The signature 'STANLEY' is in the bottom right corner.

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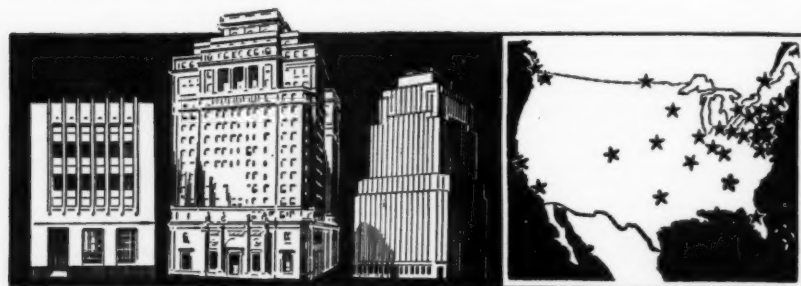
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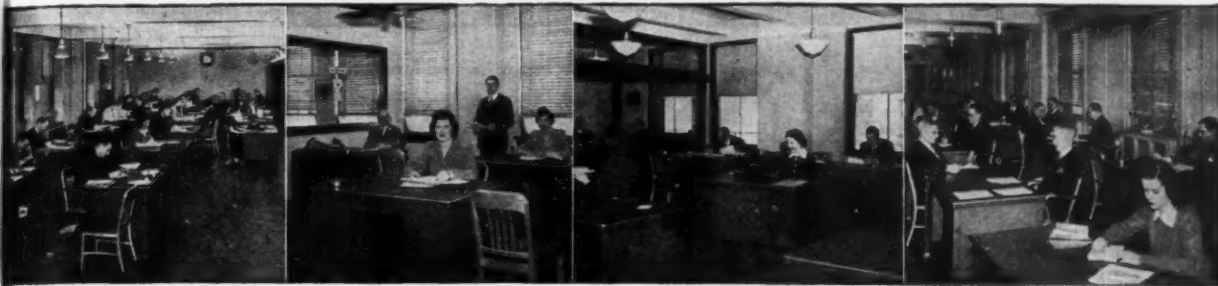


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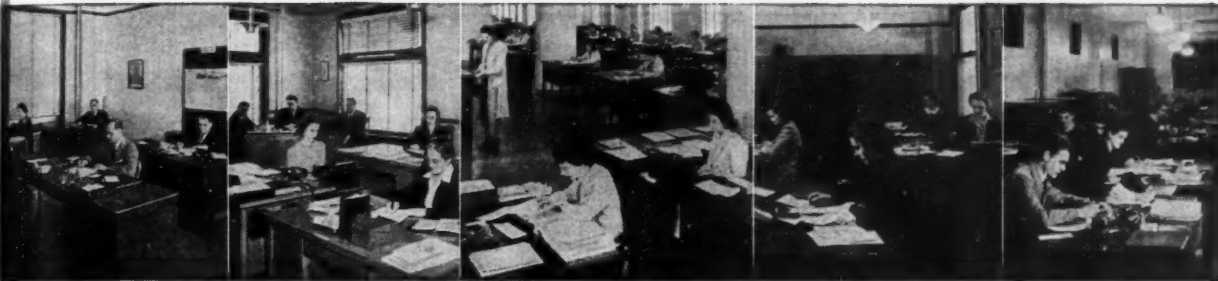


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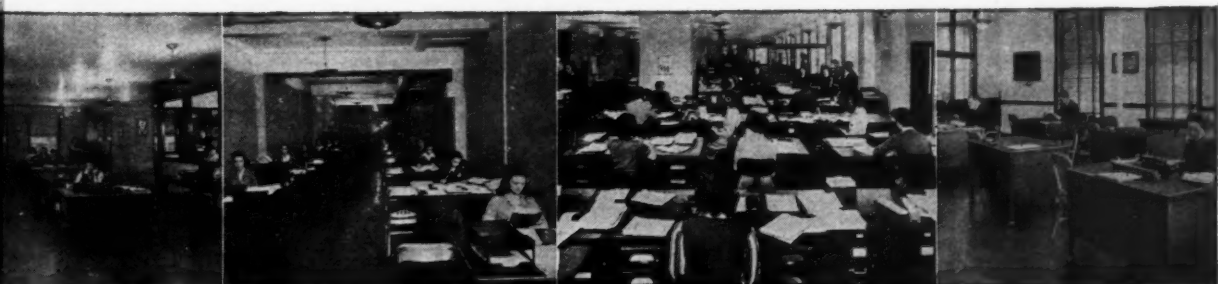
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Sees Irony in Anti-Trust Move Against Insurers

Marryott Says Other Gov- ernment Agencies Force Elimination of Competition

Franklin J. Marryott, assistant general counsel of Liberty Mutual, in addressing the meeting of the International Association of Insurance Counsel at the Edgewater Beach Hotel, Chicago, this week on "War Time Developments in Casualty Insurance," remarked that the War Department comprehensive insurance rating plan was designed to minimize competition between types of carriers. "Some of you," he declared, "will detect a certain irony when you call to mind the recent vigorous activities of the anti-trust division of the Department of Justice in seemingly trying to uphold the competitive ideal which actuated the framers of the Sherman anti-trust act, as manifested by the indictment of members of the Southeastern Underwriters Association and by the investigation pending in the southern district of New York."

Mr. Marryott traced the development of standard provisions in the automobile liability and other fields, reviewed the questions that have arisen as to ride sharing, etc. He said that the industry was happy to be able to assure the government that the standard policy provisions had been so drafted as to make possible participation in ride sharing without danger of loss of insurance protection.

Restricted Form Doesn't Sell

The policy selling at 50% of the regular rate giving protection only with respect to claims of passengers being transported to or from work while the car is used under a ride sharing arrangement has had only a limited appeal, he said. That is due to the fact that reductions in the cost of full coverage have made the difference in cost from this new form of restricted coverage very slight.

Many questions were raised as to whether collision losses occurring during blackout conditions were excluded. He said that no public announcement was made but almost without exception the provisions have been construed by the companies as not excluding the so-called blackout loss.

Probably a gap exists between the insurance on cars offered by the War Damage Corporation and that provided by the private insurers and he said it would be well if action were taken to make the two coverages dovetail. Progress along this line has been made in the fire insurance field, he said, and the obstacles to prompt action there are far more formidable than in the automobile physical damage field.

Although the development of greatly improved provisions for personal liability policies and for the new residence and outside theft form was fostered only very indirectly by the war, these contracts have their war time angles such as coverage of liability from use of bicycles and of liability from victory garden activities even though the garden is away from the insured residence premises and of liability from volunteer war work activities.

The best evidence of the value to the

(CONTINUED ON PAGE 23)

Insurance Counsel Group Assails Cradle-Grave Plan

Proposed expansion of social security schemes was severely criticized at an open forum discussion during the meeting of the International Association of Insurance Counsel in Chicago this week. J. E. Johnston, Greenville, S. C., presided, with comments contributed by V. C. Gorton, Chicago, vice-president and general counsel of Allstate, J. R. Peterson, Chicago, general counsel Continental Casualty, C. O. Pauley, Chicago, secretary Great Northern Life, Harold Gordon, Chicago, executive secretary Health & Accident Underwriters Conference, and D. E. McGugin, Nashville attorney.

Pointing out that most people regard present social security plans as settled and unlikely to be repealed, Mr. Peterson explained that the discussion would turn upon proposed extensions. He outlined the latest Wagner bill in Congress, which proposes to transfer unemployment insurance from state to federal administration, increase benefits up to \$30 per week, broaden the scope to include many persons not now under social security, increase old age benefits and include compulsory health insurance, with a 12% payroll tax, 6% to be paid by the employee, and a tax on self-employed persons of 7% of the market value of services rendered.

Staggering Cost

Mr. Peterson said that the cost of this plan is estimated at from \$8 billion to \$15 billion per year, but may be more. He questioned the need for the government embarking on such a scheme, pointing out the rapid growth of private hospitalization insurance in a relatively few years as a reasonable alternative, with about 25% of the people now carrying this coverage. He also said that dependence on the government is a characteristic of the Axis philosophy as distinguished from that of the United Nations, reminding his audience that Germany was the first country to adopt compulsory health insurance.

Mr. Pauley said that all exponents of the proposed American plans have been very vague about costs, but he asked whether the country could stand an additional crushing burden. If the national debt amounts to \$300 billion at the end of the war, it will take 50 years to amortize it, even at 2% interest, at

\$9 billion a year, all to be borne by business in addition to the normal cost of government. He warned the audience of the tendency of bureaucracy to perpetuate itself, saying he is not afraid of a dictator, subject to human ills, but bureaucracy goes on and on.

Urges Test of Present System

Before embarking on extensions, Mr. Pauley said that the United States should first see how the present social security and unemployment compensation plans stand a depression. So far, they have existed only during a period of rising payrolls. He said he believes in social security and feels the government has a proper place in these plans, but that the main effort should be toward eliminating the causes of unemployment, rather than paying people to be unemployed.

Mr. Gorton discussed the effect of these schemes on liability insurance, saying that the ultimate objective would be the elimination of all suits based on personal injury. This, however, is not likely to occur during present lifetimes. Workmen's compensation laws, for example, have not eliminated suits based on industrial accidents in 32 years. However, the proposed plans will pay many bills arising out of automobile and other accidents and the public will eventually balk at paying double costs for accidents.

Will Not End Poverty

Mr. Gordon defined a number of terms commonly used in these discussions, pointing out the general confusion of ideas. He emphasized that Sir William Beveridge, author of the famous British plan, made it very clear that his plan will not end poverty, only want. It proposes to supply subsistence, but not the comfort every man wishes. He also declared that the need for schemes of this sort has been grossly exaggerated. Private insurance has done a good job, Mr. Gordon said. Accident insurance has quadrupled in 21 years, and, between accident insurance, life insurance, workmen's compensation, benevolent societies, hospital and medical service plans and salary continuance arrangements, from 40 to 45 million wage earners and their dependents are protected.

(CONTINUED ON PAGE 23)

Stock Companies Carry Fight to N. Y. Department

Mutuals and State Fund Block Compensation Program in Rating Board

NEW YORK—By a divided vote the governing committee of the New York Compensation Insurance Rating Board failed to approve for use in New York state the modified workmen's compensation rating plan filed with the board by the Association of Casualty and Surety Executives. This is the four-option plan, three of the choices providing for retrospective ratings, which was proposed for risks developing an annual premium in excess of \$1,000. Failure to gain approval was the result of "further and final consideration" of the association's proposal, the board stated.

Having lost out to the governing committee of the Compensation Rating Board of New York by a 3 to 2 vote, the casualty research committee of the Association of Casualty & Surety Executives intends to file its compensation program directly with the New York department. The defeat of the proposals by the New York Rating Board was not unexpected because the balance of voting power is held by non-bureau interests. The mutuals were joined by the State Fund in opposing the program.

In 1940 the non-bureau interests blocked retrospective rating in the rating board but the program was later approved by the New York department after holding public hearings.

Kenneth Spencer, chairman of the casualty research committee stated that "the action of the non-stock members of the governing committee of the rating board in voting down the broad new program, does not mean that the stock companies will in any degree abandon or lessen their efforts to obtain official approval for this needed and worthy program. Our committee, of course, will now submit the plan direct to the New York insurance department."

"Two years ago, the principle of graded expense was presented to the rating board's governing committee and a tie vote resulted, the stock company representatives voting affirmatively and the mutual representatives negatively. The state fund representative did not vote. To settle the issue, the board submitted the program to the New York department, which held public hearings and approved the principle. A program of graded expense has been in effect ever since and has proved advantageous both to employers who need workmen's compensation insurance and carriers who provide it.

"Five years ago, when retrospective rating was under consideration, the same situation prevailed. Again, the board submitted the issue to the New York department for decision, and again that department, after thorough public hearings, upheld the stock companies, thereby giving effect to a program that is now recognized by all types of insurers and assureds as beneficial and essential under given conditions.

"The casualty research committee regrets, of course, that this new step in

(CONTINUED ON PAGE 23)

Cleveland Office Wins Trophy



The John A. Diemand trophy for service office efficiency in 1942, was won by the Cleveland office of Indemnity of North America. Photograph shows presentation of the trophy. From left to right are C. S. Roberts, vice-presi-

dent; Robert O. Young, service office manager; H. P. Stellwagen, executive vice-president; Nolan S. Pierce, manager in Cleveland; F. G. Merrill, assistant to Mr. Pierce, and Fred W. Tracey, marine manager.

Report Air Leaders Block Lea Bill

Chicago "Tribune" Says Federal Reinsurance of Non-War Risks Blocked

The Chicago "Tribune" Monday stated that opposition by two key figures in aviation has blocked congressional action on the Lea bill providing among other things for insurance and reinsurance by the government of aviation hazards. According to the "Tribune" a substitute measure will be introduced to eliminate controversial points in the Lea bill. The "Tribune" states that the controversy centers about the proposal that the government reinsure non-war risks. Opposition to that provision, according to the "Tribune," has kept the bill bottled up in the House interstate commerce committee since its introduction.

The "Tribune" states that the opponents of the measure include the heads of two of the nation's largest domestic airlines. The "Tribune" does not identify these men but it is understood in aviation insurance circles that Eddie Rickenbacker of Eastern Air Lines and President Patterson of United Air Lines have been outspoken in their opposition to the government getting a grip on the airlines via the insurance route and Rickenbacker and Patterson, it is understood, have both spoken very favorably of the existing insurance market.

The "Tribune" says that substitute legislation is expected to be based on studies being made by a private agency for the Civil Aeronautics Board and by an Air Transport Association committee headed by P. M. Willcox, vice-president of United Airlines, Chicago.

While the intention of the Lea bill might be to provide for the government to reinsure certain peak limits that could not comfortably be handled in the American private insurance market, yet the danger is seen that the government might actually worm its way into a predominant position by reinsuring almost 100% some fronting company.

Columbus Election Friday

The Columbus Association of Accident & Health Underwriters will hold its banquet and final meeting of the year Friday evening. Officers will be elected and Homer Bisch, National Casualty, Toledo, recently elected president of the National association, will speak on "The American Beveridge Plan for Social Security." E. W. Welton, Business Men's Assurance, is the retiring president.

Luncheon for Fairchild

Claude W. Fairchild, general manager of the Association of Casualty & Surety Executives, was the luncheon guest of a group of 13 insurance newspapermen before leaving New York City for a two-month vacation in California. Others who attended were Sanford B. Perkins, secretary compensation and liability department Travelers, and Harold K. Phillips, the association's director of publicity.

Cleveland Agency Deal

CLEVELAND—Lowell F. Ream and David H. Gray, local agents at Cleveland, have purchased the American Agency Corporation, a general agency organized by A. Ray Staudt who is now an officer in the navy. The general agency will continue to operate as before under the same name. The office has been moved from the Union-Commerce building to the Guardian Building. The American Agency Corporation is general agent for two fire and three casualty companies.

Martin Lewis Nears Twentieth Year with Towner Bureau

President Martin W. Lewis celebrates his 20th anniversary with the Towner Rating Bureau July 1. When it was incorporated in January 1938 and



Martin W. Lewis

he became its first president, he started to build up what had been a one man concern into an organization of well trained specialists. He increased the staff so that the various lines of fidelity and surety bonds handled would each be supervised by an expert in that particular field. He has established the bureau as a sound and stabilizing influence in the surety industry. One of his outstanding characteristics is that in a dispute he can hold the balance between the conflicting interests. While he always has the welfare of the member companies at heart, he has maintained friendly relations with the non-bureau companies. He is fair and honest in his thoughts, actions and statements. He once said, "It is only by knowing the viewpoint of both sides that the Towner Rating Bureau can approach with fairness and equity the problems of all concerned."

Martin Lewis' Career

Mr. Lewis joined National Surety in 1912 as an office boy. When he resigned 11 years later to go with the Towner Bureau he was assistant secretary. As assistant manager he spent a great deal of time going through the archives and learning what makes a rating bureau "click." He has always been much interested in teaching young men the business. One year he himself conducted the entire surety course given by the Insurance Society of New York. He has always been an outstanding figure in promoting fidelity and surety bond campaigns in large cities all over the country.

Mr. Lewis has made many contributions to the surety business. He has established new practices in the science of rate making to keep up with the times. He established the division of research within the bureau which enabled him to get a better picture and understanding of the whole field of bankers blanket bonds and resulted in the adoption of the present form of specific rating of bankers blanket bonds for banks all over the country. This has resulted in better contact and feeling with the American Bankers Association.

He also established a method of specific rating on primary commercial blanket bonds and blanket position bonds in the mercantile field. Since the war he has rendered invaluable service to the companies and the government in ironing out the many problems affecting surety bonds. In the five years that he has been president he has traveled considerably and has a wide acquaintance among the supervisory authorities and officers of public and private agencies. An interesting sidelight on Mr. Lewis' travels is that he made his first trip in an airplane only a month ago when he was forced to go to Kansas City, Mo. for a business conference and was detained in New York too long to go by train.

R. E. Bennett, San Antonio claims manager of the Employers group, has gone with a Kaiser shipyard in Oregon.

Neil Fravel, prominent local agent at Cleveland, has moved his office from 1105 Chester avenue to more spacious quarters in the Guardian building.

Over-centralized Plan Dangerous, Pink Declares

L. H. Pink, president Associated Hospital Service of New York City and former New York superintendent of insurance, spoke at the regional institute of "Blue Cross" plans, composed of a number of non-profit hospital service institutions, of which there are now 77. He said that these must be both in fact and in name community plans. The insurance departments supervise many of them and should supervise all, he declared.

Mr. Pink said the pressure for compulsory social security on a national basis increases daily. It brings with it the threat of over-centralization and regimentation of all phases of social and community life. The government, he said, though obviously in sympathy with compulsory medical insurance, hesitates to inaugurate it because of the difficulties involved. While hospital insurance is accepted by the public as a necessary service which is to be paid for, medical insurance is still in a state of experimentation. There is as yet no effective demand, he added.

Standard Plan in Hospital Field

In the hospital field, Mr. Pink said there has been evolved a standard plan which works but in medical insurance there has as yet been found no satisfactory standard product. The actuarial problem he thinks is particularly difficult to solve. The attitude of the medical profession, he asserted, has changed greatly in recent years and is becoming more friendly to the idea of spreading medical care more adequately by medical insurance.

Mr. Pink said the United States is one of the last strongholds of a large middle class population and the majority will not be content with a small cash benefit of \$3 or \$4 a day intended merely to cover ward service.

Conflicting Views on Air Transport

(CONTINUED FROM PAGE 1)

would be futile and that federal legislation is the only proper course.

In answer to a question, Mr. Godehn said that the law will undoubtedly either make air carriers absolutely liable to passengers or at least place the burden of proof on the carrier to show freedom from negligence.

Hits Insurers' Tactics

Mr. Reiber stirred up considerable discussion by criticizing the American insurance companies for reinsuring a large part of their aircraft business abroad. He said the report of the Board of Economic Warfare showed how much vital information is sent abroad via reinsurance and yet American aircraft insurance carriers are sending 65% of their premiums to foreign reinsurers. He also quoted the recent Air Transport Association report as indicating that American companies which belong to the aircraft underwriting groups have tried to freeze the market by agreeing not to reinsure any other carriers without permission of the entire group.

Mr. Breen said that there will be great pressure for financial responsibility of persons operating aircraft, which may take the form of compulsory insurance laws. At present, the air lines are not permitted as much leeway in self-insurance as railroads, but will undoubtedly be able to qualify for more self-insurance eventually, so that the portion of the risk to be assumed by insurance companies may decline. Ambrose B. Kelly, Chicago, secretary American Mutual Reinsurance, suggested that the problems of large air transport risks and individually owned planes should be separated and that the real insurance

National Bureau Completes Boiler Rate Revision

NEW YORK—The National Bureau of Casualty & Surety Underwriters has completed the revision of rates for boiler and machinery coverages along the lines agreed on at the June 15-16 conference between representatives of the bureau and of the four non-bureau boiler companies and has sent its figures to the non-bureau group. The bureau is working on the boiler U. & O. rate revisions and will send them to the non-bureau group on completion.

A conference between the two groups was scheduled for July 1 but it has been postponed until July 8.

The non-bureau boiler insurers are Hartford Steam Boiler, Employers' Liability, American Employers, and Mutual Boiler of Boston.

Traffic Deaths 22% Fewer in May

Traffic fatalities in May were but 22% below the record of May, 1942, the National Safety Council reports. Each month the percentage decline from the same month of the previous year has been decreasing. In April the decline was 27%, in March 30%, February 33% and January 44%. The May deaths totaled 1,830 as compared with 2,320 in May of 1942.

For the first five months of this year the deaths totaled 8,510 or 32% below the 12,570 of the parallel period last year.

Comply with Censor's Rule

NEW YORK—Insurance companies are complying practically 100% with the Office of Censorship's request that all foreign mail be marked "Insurance" on the envelope to expedite handling. Failure to comply with the request means extra work for the censor's office and needless delay in opening the mail and routing it to the insurance desk. The word "Insurance" should be in bold type.

premium volume will probably be in the latter field.

W. P. McDonald, Memphis, in commenting on Mr. Reiber's remarks, said that another Lea bill, House Bill No. 1992, would set up a federal insurance fund, apparently to be used for reinsurance, and it could be used for aircraft insurance. This brought out considerable argument on the question of the participation of American companies. Mr. Reiber said he believes government officials would like to use the threat of federal reinsurance to compel the companies to spread the reinsurance among American carriers. He said that there are at least as many American companies as underwriters at Lloyds, and hence that sufficient capacity can be found here, if broken into small units. Many present agreed that American companies should enter the aircraft field more extensively, but suggested that they can be induced to do so by education or, as a last resort, by anti-trust action, rather than by government compulsion.

H. C. Thurman, Dallas, counsel Braniff Airways, and a vice-president of the association, agreed that insurance companies have been too conservative about aircraft business and have not kept pace with improvements in operations. He said it took him four months to get his company's group insurance changed to remove the restriction on aircraft coverage to fare-paying passengers, although air line employees travel on passes. He also spoke strongly for federal regulation and said air lines are willing to accept absolute liability to passengers, if they can have a uniform and reasonable death and disability limit.

Beveridge Plan and U. S. Version Are Contrasted

W. S. Connell of North American Reassurance Prepares Useful Summary

NEW YORK—The big difference between the Beveridge social security plan and the National Resources Planning Board recommendations, sometimes called the American Beveridge plan, is that the Beveridge plan is concerned with providing for the unfortunate members of the working class who cannot provide for themselves, as well as assisting in providing security for the others, whereas NRPB proposal is simply a plan to help the entire working class by redistributing wealth by means of government taxation and spending, according to W. S. Connell, assistant actuary of North American Reassurance, who has prepared a summary of both plans which compares their principal points.

While there is a difference in scope of the two plans, Mr. Connell points out that the fundamental difference is not in their scope but in their philosophy. Sir William Beveridge believes that people object to having the benefits contingent upon a means test not because of the violation of privacy but because of the penalty for being thrifty. Beveridge believes that no self-respect is lost if the benefits are in return for contributions, whereas hardly anyone wants to be the beneficiary of a dole or make work policy. He also believes that the policy of financing benefits by income taxes is wrong because it develops the idea that limitless benefits may accrue without the corresponding sacrifices.

Contrasts NRPB View

"In contrast, the NRPB maintains that the right to benefits should not be contingent upon whether or not the needy person may have contributed to the cost of them," Mr. Connell states. "They feel that our economic system is such that our poorer citizens cannot afford to provide their own security. Beginning at such different points, it is inevitable that different results would follow in the two plans."

Mr. Connell points out that the Beveridge plan contains an elaborate estimate of the cost whereas the NRPB plan brushes considerations of the cost aside with the thought that the cost will not amount to anything compared with the benefits—the overall increase in the standard of living which will result.

Mr. Connell, points out that the NRPB plan is much broader than the Beveridge plan, the NRPB proposal being an attempt to avoid mass unemployment whereas Beveridge has assumed that his government would take action to avoid it but the steps to be taken are not part of his plan except to the extent that the insurance benefits themselves are a help.

NRPB Plan's Points

Mr. Connell summarizes the NRPB proposals as follows:

Extension of social security so as to allow, besides the superannuation benefits, benefits for disability, both temporary and permanent, and unemployment. The superannuation benefits are to be increased and coverage is to be extended to those not now covered. A larger proportion of the cost is to be borne by federal subsidy. The reason for this expansion at the expense of general relief is not from a desire to furnish these benefits as a right nor from a de-

Labor Union Agency a Factor in Placing Big Group Cases

NEW YORK—The growing size and power of the CIO unions, their increased appreciation of group insurance programs, and wartime restrictions on wage increases have brought into considerable prominence the Trade Union Insurance Agency of New York City. Acting as the union's insurance adviser and representative, it has been in on a number of very large group cases. Its president is Martin E. Segal, who before becoming a trade union insurance adviser three years ago had six years of experience in the home office and the field, having been connected successively with Equitable Society, Metropolitan Life, Prudential, and John Hancock Mutual.

While the competitive position of an agency having the "in" with the union in a strongly unionized plant is obvious the Trade Union Agency relations with the employer's broker or agent have in general been amicable. The procedure is to divide commissions on a mutually satisfactory basis on contributory cases. Where the agency does not share in the commission it charges the union a fee for acting as adviser and representative.

Wage Freezing Brought Boom

The agency has been operating for about three years but the big surge has been since the wage freezing orders left group insurance programs as almost the only way in which a union could negotiate a better deal for its members when employment contracts came up for renewal.

As the union's representative the agency's role is to obtain a more comprehensive scale of benefits and a clause in the union's contract with the em-

sire not to penalize thrift, but merely for convenience in administration.

Creation of a permanent work program, acting during depressions and dormant during periods of economic activity, so that the opportunity for work will always be present, thereby maintaining morale and conserving special skills. The rates of pay and working conditions are to be comparable to those in private industry.

Extension of general relief system so that cases of need, not covered by the special programs, will be covered. The cost of this relief is to be met by the states with federal assistance.

Expansion of the social services to include besides free schooling, medical care, hospitalization, school lunches, college educations to those who could use them, and free distribution of surplus food.

Coordination of federal taxation, borrowing and spending programs so that there will be a deficit during depressions and a surplus during periods of prosperity, the deficits and surpluses to cancel in the long run.

Assistance for private industry during the period of conversion from war to peace production so as to minimize the effects of the inevitable dislocations.

Summary of Beveridge Plan

Summarizing the Beveridge plan's main points, Mr. Connell says that it is a compulsory social insurance scheme which will provide in consideration for stated premiums paid by the employees, employer, and government, stated benefits in the event of stated contingencies. The contingencies are those which produce want, such as old age, unemployment, disability, obsolescence of skills, and burials, and those which are avoided so as not to produce want, desirable though they may be, such as marriage, abundant dependents, separation, and maternity.

It is assumed that the contributions of the employee, employer, and government will ultimately be in the ratio of 20:20:60 respectively, but the large government share is in the nature of inter-

ployer providing specifically for a group insurance program as a condition of employment. The chief complaint about group programs that has been provided is that the death benefits are too low and the accident and sickness benefits have been out of line with workers' actual earnings in the higher brackets. The agency's contention is that if the weekly benefit is too low a worker will avoid taking time off if he can possibly avoid it whereas actually it would be better if he got himself cured and returned to the job able to work efficiently. Another complaint has been that many group plans have lacked any hospitalization benefits whatever.

The Trade Union Agency has undoubtedly been of material aid in explaining to union members the value of group insurance and of having the various types of benefits on the most advantageous basis that could reasonably be sought. Realizing that the union gets more by having the employer provide the group insurance program rather than having the union itself as the insured, the agency has been able to convince the unions of the wisdom of the former arrangement. This more than offsets any supposed advantage of the union being able to provide its own group insurance program.

The agency supervises the program on behalf of the union after it has been installed, looking after claims, dividend payments and other matters. In connection with dividends, one point which the agency insists on in its negotiations is that the plan make dividends payable prorata according to the contributions of the employer on the one hand and the employees on the other.

est due on the accumulations of the other two shares, which accumulations will, in fact, not be in existence due to increased benefits during the period of transition to the time when all those covered will have made the contributions necessary to provide their own superannuation benefits.

Canadian Auto Group Elects

TORONTO—H. L. Kearns of Shaw & Begg, Toronto, has been elected chairman of the Independent Automobile Insurance Conference. Vice-chairman for Ontario is E. M. Hill, Dominion of Canada General, and secretary-treasurer for Ontario, H. E. Wittick, Pilot. Vice-chairman for Quebec is C. D. Matheson, Canadian General, and secretary-treasurer Robert Parkin of Shaw & Begg.

The conference is fostering a Dominion-wide movement for improved uniform safety financial responsibility laws and a voluntary assigned risk plan patterned as closely as possible after that in New York.

State May Insure in Reciprocal

SALEM, ORE.—The state of Oregon, acting through the board of control, may become a subscriber of Truck Insurance Exchange of California, Attorney-general Van Winkle holds.

Truck Exchange was low bidder on the p.l. and p.d. coverage on the Oregon state automobile fleet with a figure of \$11,535 for one year. Phoenix Indemnity, bidding through Phil Grossmayer & Co., and Massachusetts Bonding, through Becke & Wadsworth, Salem, quoted \$16,726.

More Women Local Agents

With the number of men going into the armed service or into defense work companies find that more and more women are getting into the business taking over agencies and in some cases buying them. In most cases they are endeavoring to improve their knowledge of the business and are eager to learn.

Act on Illinois Insurance Bills in Closing Hours

Interest Intense in Responsibility Measure—Agents Law Change Up

As the Illinois legislature moved into its final hours Wednesday evening, insurance interest centered on the bill to amend the motorists financial responsibility law according to the New York-New Hampshire pattern. The bill passed the senate by a vote of 46 to 1 last week. It went to third reading in the House Monday evening but the vote was stopped due to the large number not voting. The final vote was due late Wednesday.

The responsibility law would go into effect Jan. 1, 1944. It requires the reporting of any accident in which damage to property exceeds \$100 or in which death or any bodily injury is involved. The secretary of state in not less than 10 days nor more than 60 days after receiving notice of such an accident shall suspend the license of the operator and registration certificates and license plates of the owner of a motor vehicle involved in any manner in such accident unless the operator or owner or both shall furnish security not exceeding \$11,000 to satisfy any judgment resulting from the accident and until the owner or operator or both shall give proof of financial responsibility for future accidents and maintain such responsibility for a period of three years.

In the event the operator or owner are not residents of Illinois they shall not operate any motor vehicle in the state nor shall any car owned by them be registered in the state. The law would not apply if the owner or operator had an auto liability policy issued by an insurer licensed in Illinois, or, if the motor vehicle was registered elsewhere than in Illinois, a policy acceptable to the Illinois department. Nor would the law apply to an operator if not the owner of the vehicle if there were in effect at the time of the accident a policy covering his operation of motor vehicles not owned by him or if in the judgment of the secretary of state there is any other policy or bond outstanding that would take care of damages resulting from the accident. It would not apply to any motor vehicle or operator thereof, owned by the state, municipality or political subdivision.

Exceptions Are Stated

The law does not apply if the operator had obtained possession or control of the vehicle without the express or implied consent of the owner. It doesn't apply to any owner authorized to operate as a self insurer under the Illinois truck act.

Any deposit made to take care of judgments arising out of an accident that has occurred may be used only for damages arising from that particular accident in an action in an Illinois court started not later than one year after the date of the accident. The deposit or any balance shall be returned to the depositor whenever after the expiration of the year the secretary of state is given evidence that there is no such action pending and no such judgment unsatisfied.

The suspension and prohibition shall remain in effect and no motor vehicle shall be registered in the name of the

(CONTINUED ON PAGE 24)

ACCIDENT AND HEALTH

Cont. Casualty Has Big A. & H. Gain

Continental Casualty achieved a net increase of more than \$595,000 in accident and health premiums during the first five months of 1943, according to Vice-president J. M. Smith in charge of that department.

This record was accomplished de-



J. M. SMITH

spite the fact that war has depleted home office personnel and field forces, and has taken thousands of policyholders out of the market.

Because of business conditions, it was anticipated at the start of the year that liability and surety premiums would decrease during 1943; nevertheless Continental scored a substantial over-all increase in total premiums up to June 1.

Mr. Smith believes that Continental will make the largest half-year gain in A. & H. premiums in its history, and that the increase for the year may amount to \$1,000,000.

Continental claims that excepting a few life companies that write a large volume of group business and one company that transacts a considerable amount of railroad ticket accident insurance, it writes the largest volume of individual policy accident and health business of any company, upon which full renewal commissions are paid to agents.

Continental's accident and health department includes six major divisions; each unit is separate, but is served by the sales education and conservation division. The aim is to provide a full line of income security contracts that provide complete personal protection for men, women and children. A complete portfolio of policies with a wide range of price is provided.

Missouri Bill Prevents Escaping Suicide Law

The lower house of the Missouri legislature has ordered to perfection preparatory to final passage a bill to require that all insurance policies sold in Missouri must be regarded as Missouri contracts unless all transactions in connection therewith actually take place beyond the borders of the state. This appears to be of interest principally to life and accident and health companies.

Some years ago a Missouri insurance superintendent issued a regulation requiring insurers to stamp on each policy issued in the state a declaration that it was a Missouri contract. This was done most commonly with a rubber stamp. There may have arisen some question as to the authority of the department to enforce such a requirement and this bill would provide the necessary legal sanction.

The notorious suicide law and some of the non-forfeiture provisions of the Missouri law are particularly obnoxious

to insurers and this bill would apparently prevent any company from seeking to circumvent the effect of those laws by claiming that the contract was one of some other state.

A number of years ago, it is recalled, the practice was not infrequent of having the assured pay the premium for a life policy in advance and to issue a binding receipt. When the risk was accepted at the home office then the theory would be advanced the contract was one of the domiciliary state of the insurer.

Perkins Resigns Pacific Mutual Post in Seattle

SEATTLE—Lloyd A. Perkins, general agent here of Pacific Mutual Life, is resigning, effective Aug. 15, to enter the local agency business.

He joined Travelers in Seattle in 1921, soon becoming field assistant. He was transferred to Tacoma in 1923 to establish the company's life, health and accident department, and did an outstanding job. In 1927 he returned to Seattle as senior assistant manager and joined the Pacific Mutual in 1938 as general agent for the state of Washington.

He has been prominent in association work in both the life and accident and health fields, having served as president of the Seattle Life Insurance Managers Association and Seattle Life Underwriters Association and having recently completed a year as president of the Seattle Accident & Health Managers Club.

Cochran Oklahoma Speaker

OKLAHOMA CITY—At the Oklahoma Accident & Health Association's last meeting of the season, Claude V. Cochran, Kansas City manager of General American Life, spoke on "Do You Have an Accident Insurance Policy? If Not, Why Not?"

President J. Bryan Johnson, Business Men's Assurance, stated that the association has completed its most successful year, with a 50% increase in membership.

Hear of Juvenile Gangs

LOS ANGELES—At the June meeting of the Accident & Health Managers Club of Los Angeles, Lieut. L. H. Bowling, in charge of the juvenile division of the Los Angeles police department, told of the work of his division in connection with youthful gangs in various sections of the city, including the recent "zoot suit" troubles.

Whittemore Boston President

At the annual meeting of the Boston Accident & Health Association these new officers were elected: President, John S. Whittemore, Eastern Commercial Travelers; first vice-president, W. Elliott Hanna, Commercial Casualty; second vice-president, W. Frank Rabbitt, Royal Indemnity; secretary Christopher Lee, Columbian National Life; treasurer, Henry Madden, Boston Casualty.

Four new members were received. Henry Bowen told of a new association being promoted, which was to be a sort of federated association of all insurance associations now active. Lester L. Burdick, Commercial Casualty, was appointed to look into the advisability of joining with this organization.

World of Omaha has been licensed in Oklahoma.

PERSONALS

Oliver R. Beckwith, counsel of the Aetna Life companies, has been elected president of the Hartford chamber of commerce, Jesse R. Randall, vice-president of Travelers, heads the chamber's conservation bureau. Mr. Beckwith has

long been prominent in chamber activities. He is a former member of the insurance committee of the U. S. Chamber of Commerce and also served as national councillor, representing the Insurance Federation of America.

DEATHS

Roy G. Buchanan, 60, former member of the Oregon industrial accident commission, died at his home in Salem from a heart attack.

Eli S. Warner of St. Paul, 87, a director of Minnesota Mutual Life and Anchor Casualty, is dead. He was one of the most widely known business men in Minnesota.

CHANGES

Atkins Globe Production Head

W. Hiter Atkins has been appointed production manager of Globe Indemnity. He has been executive representative of Globe since 1941 and will continue his agency and production work under the executive direction of Vice-president Clarke Smith.

Mr. Atkins is a graduate of the University of Richmond. He had his early training with Travelers, starting as special agent at Richmond in 1929. He went to Hartford in 1936 as assistant manager and returned three years later to Richmond as assistant manager, which position he held until he joined Globe.



W. H. Atkins

Brumbaugh to Eagle Head Office; Donovan Manager at Grand Rapids

R. D. Brumbaugh, manager for Eagle and Royal Indemnity at Grand Rapids, Mich., has been appointed assistant production manager of Eagle Indemnity at the home office. He will assist M. W. Slawson, production manager.

Mr. Brumbaugh has come up through the ranks. He started as office boy at Los Angeles for Eagle Indemnity 14 years ago and has served successively as inspector, adjuster, underwriter and special agent in southern California. In 1942 he organized the Grand Rapids branch and became manager.

W. J. Donovan will succeed Mr. Brumbaugh in the Michigan territory for both companies. He has been in the insurance business since 1917 and in the Chicago office of Royal Indemnity since 1936 where he served as special agent for the midwestern states. Prior to that he was with Continental Casualty in the A. & H. department. Upon his departure his associates in Chicago entertained him at a luncheon and presented him with a gift.

Royal Has Chicago A. & H. Unit; Woodward Manager

Charles Woodward, who has been connected with the liquidation bureau of the Illinois insurance department in Chicago since 1938, is joining the Chicago branch of Royal Indemnity as manager of the accident and health department. Heretofore the accident and health work there has been under the wing of the casualty department but it will now be a separate unit. The branch is now an especially well rounded organization with Paul Simmons as manager of the

casualty department, with a special setup for burglary and plate glass, with John E. Murphy, head of the boiler and machinery operations; Charles H. Kunzer, head of fidelity-surety, and Mr. Woodward handling accident and health.

Mr. Woodward started in the business in 1928 in the New York department of Union Indemnity as accident and health underwriter. He remained in that field until 1933 when Union Indemnity went out of business. He then was connected with the liquidation division of the New York department until he went with the Illinois liquidation bureau as assistant to Frank J. Bartsch, the deputy in charge. He is a son-in-law of Frank Matre of the A. M. Best Company.

Auto-Owners Is Opening New Chicago Branch Office

Auto-Owners of Lansing, Mich., has established an office in Chicago in the Insurance Exchange with Burt F. Brown as manager. He has been at Fort Wayne, Ind., as special agent of Buckeye Union Casualty of Columbus, O. Roy W. Clark, new superintendent of agents at the head office, accompanied Mr. Brown to Chicago to get him installed. Mr. Clark has been state agent in Indiana for eight years and now goes to the head office to take general charge of agency operations.

Auto-Owners in addition to writing full coverage automobile insurance writes multiple casualty lines, having entered that field about three years ago. It shows a 28% increase in premiums this year. It is strictly an agency company and has assets \$4,809,061, surplus \$1,019,374. Its claim reserve is \$1,300,046, voluntary reserve \$250,000. Auto-Owners started 28 years ago. It will make a bid for brokerage in Chicago.

Auto-Owners does not have any agents in Illinois at present. Its plan is to have Manager Brown of Chicago supervise the development of agency work in the state or those sections where the company desires to write business.

Woman Named Safety Engineer

SAN FRANCISCO—To meet new conditions created in industrial plants resulting from employment of women as welders, riggers, machinists, etc., Associated Indemnity has appointed Miss Dorothy Chipchase industrial safety engineer. She joined the company about a year ago as secretary to Frank Morgan, chief safety engineer, and showed remarkable aptitude for the work.

She will be a special guest of the Women's Safety League of Northern California at a luncheon July 8. Mr. Morgan will present the league an American flag in recognition of its public safety activities and also as memorial to the late F. E. Goelzer, Associated's safety engineer for many years, who was one of the founders of the league.

Thompson in Field for Royal

LOS ANGELES — Charles H. Thompson, superintendent of the casualty underwriting department of Eagle, Globe and Royal Indemnity here, has been appointed special agent of Royal Indemnity in southern California to succeed Hal Steele, who has resigned to enter the service. Marshall E. McFarland will succeed Mr. Thompson as superintendent of the casualty underwriting department. He was with Fidelity & Casualty for four years as underwriter and later joined American Surety as head casualty underwriter.

Eva L. Cole has become manager of the bonding department of Royal Indemnity.

C. V. D. Peek, associate counsel of the Aetna Life accident and liability department and of Aetna Casualty, has observed his 30th anniversary with these companies.

Mr. Peek graduated from Wilbraham Academy and practiced law for 16 years in New York. He was promoted to his present position in 1928.

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COMPENSATION

Confer on Stevedore Risks

WASHINGTON—Following conference between representatives of the War and Navy department insurance divisions, a joint meeting with officials of the Maritime Commission and War Shipping Administration Insurance Division was this week projected, in an effort to determine whether a uniform policy can be agreed upon to cover workmen's compensation and public liability insurance for stevedores loading munitions and war supplies for the government agencies.

The question is whether the war projects rating plan of the army can be adapted to cover the needs of the situation, possibly with some modifications.

A modified plan has been suggested by the joint rating committee to cover risks involved in the stevedore operations. However, it is understood that plan does not appeal to the Navy 100%.

SURETY

Pay-as-You-Go Tax Is New Reason for Fidelity Cover

Martin Lewis, president of the Towner Rating Bureau, has addressed a message to companies, pointing out the fidelity sales opportunity that is created by the pay as you go income tax plan.

Mr. Lewis observed that the employer is responsible to the government for moneys withheld from employees on account of the tax and must pay over all tax moneys due to the government without delay even though there may be shortages in the accounts.

Turnover in personnel is at a peak and many of the employees are untried and untested. The white collar workers are being pressed by increased living cost and rising taxes and it is almost impossible for auditors, accountants, and examiners to scrutinize transactions and go over the records as thoroughly and completely as during normal periods.

May Reduce Lincoln Bonds

LINCOLN, NEB.—The city council has instructed its finance committee to make a survey of bonds required of city officials with a view to reducing the amounts. It was suggested that the bond of the city treasurer be reduced from \$300,000 to \$150,000, and others correspondingly.

Mass. Surety Men Elect

BOSTON—The Surety Underwriters Association of Massachusetts listened to a talk by Martin W. Lewis, president of the Towner Rating Bureau, on rating problems brought on by the war, and elected the following officers: President,

Charles E. Megargel, Fidelity & Deposit; vice-president, Elmer C. Anderson, Employers Liability; secretary, August H. Quigg, Century Indemnity; treasurer, George W. Berry, Massachusetts Bonding.

Hold Surety Under Realtor Bond

TOLEDO, O.—Judge Krueger in Lucas county common pleas court held that companies bonding real estate offices may be held responsible for payment of commissions to real estate salesmen. He awarded judgment to Fred H. Achenbach, Toledo, in his suit against Fidelity & Deposit. Mr. Achenbach charged this amount was due in commissions as a salesman for Keith Realty Co. The firm, which has gone out of business, was bonded under state real estate laws to indemnify any person damaged on the part of the principal.

San Francisco Blue Goose Elects

SAN FRANCISCO—John H. Martin, manager of the Standard Forms Bureau, was elected most loyal gander of the San Francisco Blue Goose Monday. Charles W. Rogers, Fire Association, was elected keeper; Weldon Oxley, Springfield Fire & Marine, supervisor; Frank Ingersoll, National Automobile Theft Bureau, custodian, and Paul Schloesser, Phoenix Assurance, guardian. Harrison Houseworth continues as welder.

Mr. Martin succeeds Herbert Manners, general manager of the National Automobile Club.

Joy Lichtenstein, Hartford, and Ralph Freese of Edward Brown & Sons were elected delegates to the grand nest meeting, with Charles L. Landresse, London Assurance, and W. Stanley Pearce, Fireman's Fund, as alternates.

The pond has 589 members, in spite of losing 15 by death the past year, and maintains its position as the largest pond in the grand nest.

ASSOCIATIONS

So. California Adjusters Name Hook President

LOS ANGELES—The Casualty Insurance Adjusters Association of Southern California has elected these officers: President, J. C. Hook, Ohio Casualty; vice-president, S. J. Grogan, Indemnity of North America; secretary-treasurer, B. T. Sheppard, Hartford Accident. J. W. Duncan of Duncan & Mountain, New York, general counsel for London Lloyds in the United States, was a guest.

Milwaukee Adjusters Elect

MILWAUKEE—Gordon Bear, Hardware Mutual Casualty, was elected president of the Casualty Adjusters Association of Wisconsin at the final luncheon of the season. He succeeds Elmer Voigt, Fidelity & Casualty. Ralph Browne of Roberts Co. is vice-president, and Stewart Farley, Cain-Farley Adjustment Service, secretary-treasurer.

Yancy Is Atlanta Speaker

ATLANTA—George W. Yancy, Birmingham insurance attorney, discussed accident trial problems before the Atlanta Claims Association, giving some amusing incidents out of his experience. He stressed that extreme care should be taken in preparation of statements secured in connection with an accident investigation, particularly the inclusion of items which are obviously incorrect, such as a statement that one of the cars in an accident was traveling "70 miles an hour" when other items in the statement indicate that this was not so.

The Casualty & Surety Managers Association of Chicago will hold an outing at Bob-O-Link Country Club July 29.

Minn. Bar Drops Compulsory Idea; Favor N. Y. Type Law

MINNEAPOLIS — Compulsory automobile liability insurance probably is a dead issue in Minnesota following action of a committee of the Minnesota Bar Association in recommending abandonment of attempt to induce the legislature to pass such a law. The bar association has been the principal sponsor of compulsory insurance bills at the last two sessions of the Minnesota legislature.

The committee recommended the association now bend its effort toward getting a law patterned after the New York or New Hampshire financial responsibility law.

Insurance leaders of the state who have carried on the fight against compulsory insurance are hopeful that they may work out some sort of legislation satisfactory to both groups.

State Farm Mutual Again Loses Wis. License Suits

MADISON, WIS.—Summary judgment was entered by Judge Hoppmann in circuit court here for Commissioner Duel with dismissal of two suits brought by State Farm Mutual Automobile to secure license in Wisconsin. The complaints were dismissed on motion of the attorney-general and State Farm is expected to appeal to the supreme court.

Commissioner Duel denied the mutual Wisconsin licenses for 1940 and 1941 on the contention that its life membership fee plan did not comply with the Wisconsin insurance statutes covering reserves. The supreme court upheld him in that case. It eliminated the life membership fee on its Wisconsin business but kept it in force in other states. The department refused to issue licenses in 1942 and 1943 on the ground that use of the plan in other states made it impossible for the mutual to comply with Wisconsin reserve requirements.

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ANCHOR CASUALTY COMPANY

SAINT PAUL
MINNESOTA

FINANCIAL STATEMENT AS OF DECEMBER 31, 1942

ASSETS		LIABILITIES	
Stocks and Bonds.....	\$2,402,570.80	Reserves for:	
Bonds*	\$1,784,674.80	Claims	\$1,092,467.49
Stocks	617,896.00	Unearned	
F. H. A. Mortgages.....	193,515.84	Premiums	879,304.26
Cash in Banks and Office.....	340,074.47	Commissions	60,551.43
Premiums in Course of Collec-		Tax Reserve	160,000.00
tion (Not over 90 days).....	326,333.24	Other Liabilities.....	37,893.18
Accrued Interest and Miscellane-		Contingent Reserve.....	\$153,440.43
ous Funds	21,162.44	Capital	400,000.00
		Surplus	500,000.00
TOTAL ADMITTED ASSETS.....	\$3,283,656.79	Surplus to Policyholders.....	1,053,440.43
*Bonds are carried at Amortized Values. If they		TOTAL	\$3,283,656.79
were carried at Market Values the Surplus to Pol-			
icyholders would be \$1,117,951.63—Stocks are car-			
ried at Market.			



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Sees Irony in Anti-Trust Move

(CONTINUED FROM PAGE 17)

war effort of the comprehensive general liability form and comprehensive auto liability is that they are currently being used along with the standard compensation and employers liability policy as required by the various governmental agencies concerned in insuring the liability of virtually all of the contractors and manufacturers engaged in the war plant construction or production.

Mr. Marryott reviewed the steps that led up to the adoption of the comprehensive rating plan by the war and navy departments and other government agencies.

He pointed out that many controversial questions were involved as to rates, dividends, agents commissions, etc., and the measure of control that was to be used over the form of insurance contracts. These matters had been regarded by the companies as being subject only to the control of state supervisory officials. It was not easy for the companies to reconcile themselves to the fact that Washington was exercising a very considerable amount of control over the activities nor was it easy for state officials to accept any encroachment upon fields which had been regarded as solely theirs.

Considered Non-Insuring

Some consideration was given to the advisability of not purchasing any liability insurance as to cost plus fixed fee contracts. Superficially, he said, this might appear to be a logical procedure since in the last analysis the full cost of injuries incurred in connection with the performance of the project would fall upon the government. However, it was realized that if insurance were eliminated it would be necessary for the government to establish and maintain for perhaps a long time a large organization to supervise the handling of claims and to establish a large safety organization.

One problem is the question of the applicability of state premium tax laws to premiums for insuring cost plus fixed fee contractors with the federal government. Since the ultimate cost burden falls upon the federal government a state tax upon premium is in a sense at least a state tax upon an instrumentality of the federal government. However, Mr. Marryott said that in view of the case of *Alabama vs. King & Boozer*, 62 Sup. Ct. Rep. 314 U. S. 1 (1940), the U. S. Supreme Court would not be inclined to this view and thus "with respect to such taxes the carriers are probably not within the crumbling walls of governmental immunity."

The problem of obtaining proper policy contracts for use in insuring the liability of government contractors was solved with comparative ease, thanks largely to the fact that the forms in current use were so well up to date and to the cooperation between the persons directly concerned.

War Hazard in Compensation

Mr. Marryott took up the question of war risk hazards in connection with workmen's compensation within this country. The standard compensation and employers' liability policy does not contain a war risk exclusion and this situation cannot be changed without changing the state compensation laws. With respect to compensation covering work on the island bases, the government recognized that it was appropriate for it to relieve the carriers of the extra cost of injuries from war risk hazards as an item apart from the normal cost of insurance on such projects. At first the technique used was to remove such costs (if their inclusion caused the "maximum" to be exceeded) from the rating formula by means of a war and transportation losses endorsement. This principle was later embodied in a law that was effective Dec. 2, 1942. The Pepper bill now pending in the Senate

among other things provides for reimbursement of insurers obliged to pay compensation benefits to those injured in this country by reason of a war risk hazard. This bill reflects the theory that the cost of at work injuries from war risk hazards should be borne by the whole nation rather than by the carriers, or, if such injuries are non-compensable, by the individuals so unfortunate as to sustain them. Further, if the Pepper bill does not pass, the problem may be met by reinsurance purchased perhaps through some agency of the government, by a voluntary pooling of losses or simply by relying upon presently existing facilities in the hope that no serious

bombings will occur while these operations are under way.

Insurance Counsel Group Assails Cradle-Grave Plan

(CONTINUED FROM PAGE 17)

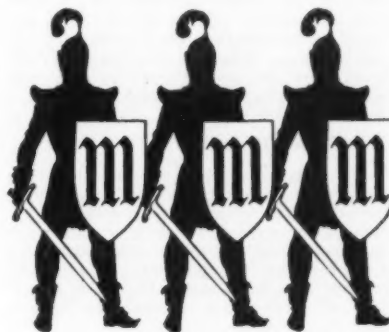
Mr. McGugin also emphasized the great and unwarranted cost of these schemes and criticized the proponents for not working to eliminate the causes of unemployment. At the same time, he warned the audience that blind attacks will accomplish nothing. Instead, the public must be told the facts and

be informed of the services of the insurance business.

Carry Fight to N. Y. Department

(CONTINUED FROM PAGE 17)

the interest of improving workmen's compensation insurance will not go before the insurance department with the affirmative recommendation of all types of carriers. Nevertheless, the committee will follow the course it has pursued in the past. Naturally, we will



THREE

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not anticipate the decision of the insurance department. Our faith in the fairness and the need for this plan is so well founded, however, that we are confident of the department's ultimate decision. We know that the department will discard competitive issues and render a decision solely on the basis of public necessity and fairness to the companies.

"In passing, it is interesting to note that the rates committee of the National Council on Compensation Insurance considered the new program on June 17 and reached an impasse on the question of approval or disapproval on strictly stock and non-stock lines.

"The constitution of the National Council requires that items affecting expense be considered separately from other elements. Consequently, the program submitted by the stock companies was acted upon under two motions. That portion of the program pertaining to graded expense went to a tie vote. The balance of the program was adopted without a dissenting vote—the non-stock representatives not voting.

"The plan must now be considered by the 17 regional committees of the National Council. The National Council also will submit both sides of the issue to independent bureau states."

The State Fund did not need to vote against approval of the stock companies' proposal in order to insure its failure in the New York rating board, since by merely refraining from voting it would have caused a tie, which would still have left the proposal without the necessary affirmative approval.

One possibility is that the mutuals may ask the New York department to include in any rating plan that it approves an alternative plan embodying maximum and minimum expense loadings, within the range of which each carrier or group of carriers may elect its own system of expense loadings to be adhered to as its standard. This idea had the backing of the mutual members

of the National Association of Insurance Commissioners' casualty advisory committee on interstate rating and was included in the supplementary report filed at the recent Boston meeting of the commissioners.

Ill. Legislation Is Reviewed

(CONTINUED FROM PAGE 10)

person required to furnish security unless and until one year after the date of the accident has expired and no action has been brought or counter claim interposed or unless and until the person has obtained a release or by final judicial determination be proved not legally liable. However, any such person would still be required to furnish and maintain proof of financial responsibility for future accidents.

Installment Payments

In lieu of deposit of security, the owner or operator may if the injured person consents, deliver a confession of judgment payable in such installments as the judgment creditor may agree to. In the event the judgment debtor fails to pay any installment then the secretary of state shall suspend the license and registration certificate.

The secretary of state shall issue to any owner having registered in Illinois 25 or more vehicles, permission to operate as a self insurer under prescribed circumstances.

There is a provision that if on or before the effective date of the act every insurer in the state shall not subscribe to an assigned risk plan, the insurance director shall when he finds an application for auto P.L. or P.D. has been rejected by three carriers, designate an insurer which shall be obligated to issue a policy. Reports of accidents are to be filed with the department of public works and buildings and

the information is made available to the secretary of state.

Upon revocation of license, etc., the motor vehicle involved in the accident and all motor vehicles owned or registered in the name of any person whose license is revoked shall not thereafter be registered in the name of any person where the secretary of state has grounds for believing that the registration will defeat the purposes of the act.

There is appropriated for the secretary of state \$75,000, to the department of public works and buildings \$75,000 and to the insurance department \$25,000.

Compensation Benefits

It appeared certain that the bill that was agreed upon by labor and industry increasing workmen's compensation and O.D. benefits would pass. In 1941 the benefits were increased horizontally 10%. The basic benefits remained as originally stated but the law was changed to provide that there should be added 10%. Now the percentage increase is boosted to 17½%.

The amendment to the brokers and agents license law which had previously passed the senate was making favorable progress and the chances for its passage seemed good.

The law is amended to create two types of brokers instead of one as at present. Class 1 brokers would be life and accident and health and class 2 would be accident, health, casualty, fidelity, surety, fire and marine. A person desiring to be both a class 1 and 2 broker would have to qualify for both licenses but he would have to pay only one fee, which is \$10 in Chicago and \$5 downstate. In the past a fire and casualty broker had to submit to examination on life insurance subjects as well.

Then the requirements as to solicitors are made more severe. An applicant for solicitor's license in Cook county is required to submit to a written examination unless the solicitor was

licensed within one year preceding the date of application. It would not apply to any solicitor licensed on July 1, 1943, who applies for renewal before July 1, 1945.

There was a provision that a temporary agent's license for a period not exceeding 90 days might be issued pending the completion of an examination. There is now an amendment providing that such a temporary license may be issued only to applicants downstate.

The fee for a solicitor's license in Cook county is increased to \$5 from \$2. It remains at the smaller figure downstate. There is a specific provision that a solicitor shall not be entitled to an agent's or broker's license until he shall pass the examination required for agents and brokers. There is a provision that a license may be suspended for a period not to exceed 12 months. Heretofore the only provision was for revocation or refusing to renew.

There is a provision that both class 1 and class 2 brokers shall furnish a fidelity bond by a corporate surety company or a cash bond or securities in the amount of \$1,000 for downstate brokers and \$2,500 for Cook county brokers "for the reimbursement of all persons, partnerships, associations or corporations who may suffer loss be-



NO STONE LEFT

Unturned

It is a tradition with the Pennsylvania Casualty Company to give attention to the seemingly unimportant things. Unusual requests or questions from agents and policyholders alike are answered in the true spirit of service.

This desire to serve better has been largely responsible for the steady progress made during the past 23 years.

The increasing patronage of thousands of agents certainly reflects the merit of the Pennsylvania Casualty Company.

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The
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cause of violation by the said broker of any of the provisions of this section." It is provided that the aggregate liability of the surety shall not exceed the amount of the bond.

One of the amendments repeals the section in the agents and brokers licensing law providing for surplus line brokers. That is in the nature of a technicality because similar provisions are contained in the insurance code that was passed in 1937 and there was some conflict between the surplus line section in the agent's law and in the insurance code.

It also seemed certain that the bill sponsored by Insurance Director Jones providing that the premium tax on the Illinois portion of interstate risks where equity rating or some similar rate debasing factor has been applied shall be based on the premium that would have been developed had manual rates been used.

Also in the closing hours regarded as likely to pass was a bill authorizing a domestic insurer that is licensed in Canada to invest not to exceed 5% of its assets in such securities as are permitted like companies by Canadian laws. The permissible percentage in the past has been 2%. This bill was generally favored.

Two bills favored by the insurers had signs of life. One provides that an action which is defended by an injured person against any company on any policy during a stay or a limited stay of execution against the assured on a judgment. The other bill amends the civil practice act to provide that whenever an appeal is taken from a judgment entered against an assured in an action which is defended by an insurer, the limit of liability of which is less than the amount of the judgment, execution of a judgment to the extent of the policy coverage shall be stayed pending such appeal and that no action shall be brought, maintained or continued against the insurer by either the injured party, insured or legal representatives, etc., during the pendency of the appeal provided the insurer complies with the designated conditions.

Several workmen's compensation bills failed of passage including the one to set up a state fund.

The insurance committee tabled a bill to make an insurance company party defendant in an action against the insured.

The fate was uncertain of a bill to make it unlawful for any company or agent to make or knowingly cause to be made or issue any policy intended to create the impression that the company, its finance or status or the payment of its claims or the merits, desirability or advisability of its policy forms or plans of insurance are endorsed or guaranteed by the state of Illinois or the federal government. The reaction of insurance people toward this legislation was mixed. Some felt that while its purpose was laudable it might cause incidental embarrassment to legitimate practitioners.

Lerch Retires; C. E. Harbin New Grain Pool Manager

(CONTINUED FROM PAGE 1)

At the annual meeting of the Grain Association Tuesday all officers headed by C. E. Wheeler of Smith & Wheeler, western managers of Hartford Fire, were reelected. The vice-president is H. A. Clark, vice-president and western manager of Firemen's; secretary, R. C. Steinbeck and treasurer, A. M. Jochem. The attorneys in addition to Mr. Lerch are Charles F. Thomas, manager Western Underwriters Association, and

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Reed Voices Hope Am. Insurers Can Work in England

Henry H. Reed, general manager of the New York office of North America, in addressing the annual meeting of the International Association of Insurance Counsel in Chicago Wednesday, asserted that it would be wise and politic for the British to make it possible for the American marine companies to conduct a representative business in England, which is the world market.

"The American market," he said, "consists of American owned and controlled companies whose stockholders are predominantly American and of British companies and their American subsidiaries, the ownership of which is predominantly British. The latter represent about one-third of the capacity of the market. The British companies have been welcomed into the United States. They are strong, well managed institutions and have well served the insuring public of this country. There should be no change in this status."

"On the other hand American marine companies do little business in England, the world market. The experience of a large life insurance company would indicate that American insurance is not welcome. American insurance has come of age. It would be wise and politic for the British to extend to us that status. There are no legal or technical difficulties. It is entirely one of attitude."

As far as American business is concerned, he declared, the American market should be the primary one supplemented by the healthy competition of the London market. As long as any foreign insurer has such ready access to the American market, "certainly we should expect that here is where the normal risk should be placed, although we would deprecate any narrow nationalistic approach or any attempt at force by statute or propaganda. If we conceive our first duty as that of giving the policyholder the best and cheapest protection, the result will be attained."

Mr. Reed said that insurance coun-

sel should help American insurance in the field of public relations and in the courts. During the early days of insurance there was built up a certain amount of prejudice against the companies in the minds of the public. While this feeling was largely based on misunderstanding, it did find some support in the highly technical attitude assumed by some of the companies. In modern times the relations between insurers and assured have become much more friendly and cooperative. Today the companies welcome legitimate claims and almost never set up technical defenses. Nevertheless the old prejudice dies hard and the insurers are still somewhat underprivileged in the courts.

He declared that the first six months of 1943 continued to show an improvement in ocean war risk. The business has been profitable and rates have come steadily down. The navy is attacking the submarine at sea as well as defending convoys. The air forces are not only guarding ships and shores but are bombing enemy bases and ship yards. "We have, I think," he said, "the right to be optimistic and expectant that by the end of this year the submarine menace will be so reduced that our ships and their cargoes can proceed without undue loss."

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Toledo Assured of Advancement to Class 3

T. B. Sellers, manager of the Ohio Inspection Bureau, has notified the Toledo city manager that Toledo is assured of being advanced to third class in the National Board's rating system. Toledo has been class 4. The citizens committee that has been seeking to get improved status for Toledo estimates that the fire insurance premium savings to residents of the city will exceed \$250,000 a year. The city manager stated that before the rating is officially changed the bureau desires a resume of the manpower condition of the fire department.

Casper Manitowoc Speaker

MANITOWOC, WIS.—C. J. Casper, Green Bay, Wis., manager of the Western Adjustment, spoke at the monthly dinner meeting of the Manitowoc Insurance Board. He discussed the handling of losses, stating that more than 500 claims, aggregating between \$35,000 and \$50,000, have been filed by residents of this city and vicinity for wind damage in the electrical and windstorm that swept this area June 3. The board will dispense with its usual outing this year. Office employees were guests at this meeting.

Wis. Probe Bills Killed

MADISON, WIS.—The resolutions introduced in the Wisconsin assembly calling for an investigation of the insurance commissioner and his department have been killed.

Bills providing for investigation of fire insurance rates and the conduct of the insurance department in handling liquidation of defunct mutual insurance companies also met defeat in the lower house.

Three compulsory automobile liability bills were smothered in committees and cannot be renewed at this session.

Push Minn. Public Relations

MINNEAPOLIS—The public relations fund campaign of the Minnesota Association of Insurance Agents is nearing completion and Secretary Frank S. Preston reports an encouraging response from all parts of the state.

The Insurance Exchange of St. Paul has named a committee of four to carry on the campaign in that city.

Wind, Hail Losses in Minn.

MINNEAPOLIS — Numerous farm buildings were wrecked in a severe windstorm that swept western Minnesota late last week. Hail damage also was heavy, ranging from 15 to 80 per cent of the crop in some spots. This was the second damaging hail storm of the season in Minnesota.

Iowa Mutual Changes Hands

J. S. McIntyre, treasurer, and Fred M. Hagen, secretary of Ace Mutual of Cedar Rapids, have purchased North Central Mutual of Boone, Ia.

Mr. McIntyre will succeed E. J. Allers as president while Mr. Hagen will be secretary and manager. The company writes automobile and fire insurance.

Mo. Qualification Bill Advanced

JEFFERSON CITY, MO.—The agents' and brokers' qualification bill has been reported favorably by the Missouri senate's insurance committee, following a public hearing.

Walter T. Benton of the Dodge agency at Salina, Kan., has decided to

leave Salina and while he has not yet made a connection he expects to move to Minneapolis. He has been with the Dodge agency since 1912.

Max M. Fuls, local agent at Chillicothe, O., has been elected eminent commander of Chillicothe Commandery, Knights Templar.

The Iowa 1752 Club will hold its quarterly meeting at Eldora July 16.

De Forrest Brown has disposed of his interest in his agency at Shenandoah, Ia., and will make his home in California.

M. G. Bacon has sold his agency in Lorimer, Ia., to E. R. Stroud, and has gone to Alaska on a construction job.

SOUTH

M. H. Justice Agency of Norfolk in New Hands

The Norfolk Insurance Corporation has purchased the insurance business operated by the late Michael H. Justice in Norfolk, Va., and will operate it as the M. H. Justice Insurance Company. It represents Maryland Casualty as general agent.

The new company takes over the Justice business in its entirety and will develop and supervise the same territory. In effect, the change represents a continuation of the former Justice agency under a new and substantial management.

Officers of the new corporation are: W. Peyton May, president; Mrs. M. H. Justice and Bruce Stewart, vice-presidents; John T. Minter, secretary, treasurer and manager; W. F. Whitaker, assistant treasurer; Mills Roberts, secretary.

Mr. Minter was formerly president of the Norfolk Association of Insurance Agents. Mr. May is vice-president of the Investment Corporation of Norfolk.

Fla. President Tells His Program for Coming Year

TAMPA, FLA.—In pledging his "best efforts to the association work this year," Frank Moor, new president of the Florida Association of Insurance Agents, lists the following as some of the things he hopes to see accomplished: Contingent commissions on fire and windstorm insurance; the public relations program oversubscribed by at least 150% before July 1; more active interest by local boards in the N. A. I. A. educational program; increased number of members honestly grading themselves as to membership dues.

Public Relations Support Urged

The San Antonio Insurance Exchange heard an explanation of the public relations program of the National Association of Insurance Agents. Secretary F. F. Ludolph stressed the importance of supporting the national program. The consensus was that the San Antonio Exchange should assume its part in financing the program.

Referring to war damage insurance, Mr. Ludolph urged the agents to see that their assured are provided with adequate protection.

Want Every Agent to Contribute

ATLANTA—Sidney Smith of Gainesville addressed the Atlanta Association of Insurance Agents on the National association's public relations program. The Georgia association already has practically met its quota on the fund, but Mr. Smith feels, in common with President Fambrough, that the program

will not attain its maximum effect unless every agent participates. The Georgia goal is for every agent to make a contribution to the fund.

Oldham Advances in Tenn. Guard

George Oldham, Johnson City, Tenn., local agent, was recently promoted to first lieutenant, executive officer, of the second battalion, Tennessee state guard, and is serving four east Tennessee companies.

Lt. Oldham recently attended a school for state guard officers at Fort Benning, Ga., under the direction of the army. During his absence his office was under the direction of his son, George Oldham, III.

Chattanooga Exchange Elects

CHATTANOOGA, TENN. — The Chattanooga Insurance Exchange has elected these officers: President, Sam H. Chester, succeeding Charles Colburn; vice-president, Walter Green-span; secretary, James Watkins; treasurer, Preston Daniels; directors, Hugh Huffaker, W. C. Brown, H. W. Spencer, Ernest Taylor, J. W. Oliphant and Charles Colburn.

Hail, Storm Losses in Va.

RICHMOND—Hail losses on tobacco in Charlotte county, Va., are now in process of adjustment. Damage in the upper end of the county was reported to have been particularly severe. In ad-

dition to damage to growing tobacco and other crops, houses were blown down and large trees uprooted during the storm.

Rename Nashville Officers

NASHVILLE, TENN.—Officers of the Nashville Insurance Exchange have been reelected as follows: President, Paul Turner of Buell & Crockett; vice-president, Vernon Sharp, Jr.; secretary-treasurer, J. Reeves Handy; directors, Dorian Clark, Herbert Luton, Douglas Hall and Charles Byron.

Ala. Leads in Membership Gain

BIRMINGHAM—Alabama now leads in the membership contest of the National Association of Insurance Agents. The Alabama association has 231 members, a gain of 71 or 45% since Sept. 1. Nebraska is second with a gain of 57 members.

NEWS BRIEFS

New officers of the Chattanooga Association of Insurance Women are: President, Miss Edna Bowman; vice-president, Miss Betty Hamill; secretary, Miss Ruby Wimpee; treasurer, Miss Estella Ott.

The Tennessee Association of Mutual Insurance Agents will hold a one-day meeting in Nashville July 24.

Orton Bennett has bought the interest of the late A. P. Thomas in the Thomas & Bennett agency, Columbia, Tenn.

EASTERN STATES ACTIVITIES

Watch Rate Regulation Bills in Washington

WASHINGTON — Development of public opinion is being awaited on Capitol Hill with relation to two bills introduced by Senator McCarran of Nevada at the request of the board of commissioners of the District of Columbia. In view of the impending congressional recess of about two months, nothing is expected to be done with these bills before next fall.

They are: S.1029, to provide for regulation in the District of Columbia of fire insurance and other forms of insurance written in connection with fire insurance, and

S.1028, a less comprehensive measure providing for amendment of the fire and casualty act of the District of Columbia. It proposes that in lieu of revoking or suspending the certificate of authority of any company, the superintendent here may assess a penalty up to \$200 upon the company when he finds it in the public interest that its operations continue. A similar penalty could apply against an insurance agent, solicitor, broker or salaried employee under similar circumstances. The amount of bond required of an insurance broker, the bill proposes to reduce from \$5,000 to \$1,000 as a prerequisite to issuance of a license.

Local officials here say they know of no opposition to S.1029 among insurance interests of the national capital. They point out that some 20-odd states provide for insurance rate regulation. Under this bill the regulation would be carried on by an organization created and operated by insurance men and paid for by them, it is said, under the supervision of Albert F. Jordan, D. C. superintendent.

Col. Lawrence Crawford, chairman legislative committee, Insurers Association of the District of Columbia, says S.1029 is being considered by that organization and by other insurance or-

ganizations of this city, including the insurance committee, Washington Board of Trade.

Cooperative Advertising Aids in Securing War Damage Renewals

Excellent results from a cooperative advertising program were reported by members of the Richmond County (N. Y.) Association of Local Agents at its last meeting for the summer. The last two advertisements were devoted to war damage coverage, and they each had a stimulating effect in increasing the flow of renewals, several members reporting renewals were practically 100%. Sixteen members are participating in the cooperative effort, for which R. C. Hoyt, C. E. Simonson & Co., St. George, is chairman.

J. K. Bainbridge, St. George, president, said that smoke damage would be covered in the revised extended coverage endorsement No. 4. He stated that there were no further developments in the discussions on the branch office question, but he had not heard what the results were of a meeting of representatives of various New York agents' groups the previous day on the question.

A good bank balance was reported by L. Waldo Horton, Tompkinsville, secretary-treasurer.

E. L. Jansen, field office manager of Home, St. George, will discuss recent policy changes at the September meeting.

Lieut. Arthur Schwab, army air corps, Moody Field, Ga., a former member, was a guest.

New Edition of Pa. Regulations

The Pennsylvania department is now distributing copies of the new edition of "Regulations and Information Relative to Agents—Brokers." The first publication of 10,000 copies distributed late in 1940, and effective Jan. 1, 1941, is exhausted.

There is a rearrangement of the sections and an enlarged index and a few

minor changes which are effective July 1, 1943. Section 14 relates to agents and brokers in the armed forces and there is a special temporary provision for licensing agents and brokers who become engaged in essential war work which is found in the section on part-time agents and brokers. Continuous license as an agent or broker is recognized in lieu of examination under certain circumstances and the acceptance of old examinations is restricted in section 16.

Mutual Leaders at Pa. Meeting

PHILADELPHIA—At the annual conference here of the Pennsylvania State Association of Mutual Insurance Companies, Harry P. Cooper, secretary of the National Association of Mutual Insurance Companies, gave a summary of ways to reduce losses. Other speakers included A. V. Gruhn, general manager American Mutual Alliance; John V. Wherry, attorney for Pennsylvania Threshermen & Farmers Mutual; Paul B. Dohner, secretary Retailers Mutual Fire; Homer W. Teamer, secretary-manager Insurance Federation of Pennsylvania; Frank C. Harris, secretary Briar Creek Mutual, and H. C. Hafey, manager Insurance Advisory & Adjustment Service.

To Show Curtis Survey Film

WASHINGTON—The Insurers Association of the District of Columbia is putting on at the U. S. Chamber of Commerce building here Friday afternoon, a screen presentation of the consumers' survey of Curtis Publishing Co., relative to fire and casualty insurance cast of the Mississippi river. The film was shown in New York last week under the auspices of White & Camby, and in Chicago under the auspices of the Chicago Board.

N. J. Losses Show Increase

NEWARK—Fire losses for the first half of the year in New Jersey are estimated at \$3,102,000, as compared with \$2,768,000 for last year. Most of the losses have been on mercantile risks, with dwelling losses showing a downward trend. There were few hotel or church losses reported.

NEWS BRIEFS

The first "bosses' nite" of the Insurance Women of Pittsburgh brought out an attendance of 357. Following a banquet a skit, "Dear Boss," was presented. Reports were given on the convention of the National Association of Insurance Women.

Ham to Head Office

Hugh P. Ham, Winnipeg branch manager of British America, has been promoted to a head office post in Toronto. V. O. Norman, for many years active in the western Canada field, succeeds him.

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PACIFIC COAST AND MOUNTAIN

Seattle Occupational Tax May Exempt Insurance Premiums

It appeared likely this week that the new Seattle occupational tax ordinance would be amended to exempt insurance premiums, following a conference of company legal representatives with Corporation Counsel Van Soelen. Agents, brokers and general agents, however, face the certainty of being affected by the 1/10 of 1% levy on commission earnings. This is in line with the 1/2 of 1% tax paid to the state on net commission earnings.

The conference with the corporation counsel followed an exchange of letters between Mr. Van Soelen and Commissioner Sullivan, who was attending the commissioners' meeting when the ordinance was passed. Originally, Mr. Van Soelen held the state did not preempt the premium tax field and said he could see no reason why premiums should be exempt. After the conference, he admitted that peculiar problems are presented in attempting to tax premiums and indicated he would recommend that the city follow the state occupational tax law by specifically exempting premiums.

Commissioner Sullivan said there could be no question that other states could retaliate against Washington domestic companies, as there is ample legal precedent to the effect that a municipal tax is in effect a state tax because the municipality derives its taxation powers from the state. One representative at the conference pointed out that the Washington legislature indicated its friendliness toward domestic companies by granting them a special premium tax rate of 1%.

Deputy Attorney-general Downer also emphasized the retaliatory tax liability that could be imposed upon Washington companies operating in other states.

May Modify Agent-Broker Trustee Fund Setup

SAN FRANCISCO—Because the American Bankers Association objects to the wording devised by Commissioner Caminetti for establishing insurance funds by agents and brokers in accordance with the insurance code, the present method of establishing these funds, with the agent or broker designating himself as trustee, may be modified.

In a bulletin to members, the Society of Insurance Brokers reports that bankers here have stated they could not accept the accounts with the suggested wording and that representatives of the bankers' association will confer with Commissioner Caminetti in the near future to correct the situation.

The wording suggested by Commis-

sioner Caminetti to be written on the reverse side of the usual bank signature card, to which the bankers object, says:

"The commercial account referred to on the reverse hereof, and carried by the undersigned with you in the name of John Doe, trustee, is an account maintained under the provisions of Section 1730 of the insurance code of California and the undersigned has no individual ownership or interest in said account. In the event of death of the undersigned, the executor or administrator of his estate shall be the successor trustee."

Heavy Loss at Roseburg, Ore.

Fire of undetermined origin caused loss estimated to exceed \$150,000 in the business section of Roseburg, Ore., destroying the Roseburg branch of the U. S. National Bank of Portland, Josse Furniture Company, Lowell's apparel store, Kamper Brothers meat market, Dimmick real estate office, Pullman and Monarch cigar stores and two barber shops. Total loss is reported on the furniture and apparel stores and one barber shop with heavy losses on stock and equipment. Major part of the loss is covered by insurance. Oregon Mutual Fire is reported to have the bulk of the furniture store coverage. The bank's coverage is written under blanket

schedules covering properties throughout the state.

Surplus Line Group Elects

SEATTLE—At the annual meeting of the Surplus Line Association of Washington George W. Farnsworth, Marsh & McLennan, was elected chairman to succeed R. E. Voigt, Swett & Crawford. C. W. Jamieson, Carter, MacDonald & Co., was named secretary-treasurer and Irwin Mesher was reelected arbitrator.

On the new executive committee, in addition to the chairman, are John F. Sullivan, Frank Burns Co.; I. C. Rowland, Hansen & Rowland; E. R. Bowden, Bowden, Gazzam & Arnold, and Mr. Voigt.

Allot Wash. Liquor Commissions

SEATTLE—Distribution of commissions on insurance of the State Liquor Control Board to agents throughout the state will be made at an early date, according to J. H. Slawson, auditor of the board, who is in charge of placing the insurance.

Commissions are held by the board in a trust account and are distributed periodically on a rotation basis to a list of representative agents in various sections of the state.

Pueblo Women Elect Officers

The Insurance Women of Pueblo re-elected Mrs. Ella Arthur, Mountain States Inspection Bureau, as president.

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Renew Ore. State War Damage

SALEM, ORE.—War risk insurance will be renewed on the state buildings in the capitol group here, according to an announcement by the board of control. Funds were included in the budget approved by the last legislature to carry the coverage on into the next biennium. Cost of the coverage on the four buildings in the capitol group is approximately \$3,300 annually.

Hold Utah Convention in August

SALT LAKE CITY—Officials of the Utah Association of Insurance Agents have made tentative arrangement to hold the annual convention here the latter part of August. Vice-president R. D. Callister is the chairman of the committee on arrangements. It will be a one-day meeting. Details will be announced as soon as a definite date is set.

Methmann 48-Hour Chairman

LOS ANGELES—Hugo Methmann, manager of Fireman's Fund Indemnity, has been named chairman of the insurance committee which will consult with the WMC on the 48-hour week problem in Los Angeles. The next meeting will be held July 6.

Meherin Heads Brokers Society

SAN FRANCISCO—J. Vincent Meherin of Mark Meherin & Son has been elected president of the Society of Insurance Brokers. Henry M. Hansen, Marsh & McLennan, J. B. F. Davis & Sons, is the new vice-president.

New U. & O. Rider in Oregon

PORTLAND, ORE.—The new affirmative U. & O. assumption rider has been announced by the Oregon Insurance Rating Bureau.

MARINE

Officers of Albert Ullmann Office Named

NEW YORK—Officers of the new Albert Ullmann Marine Office, Inc., are: Mr. Ullmann, president; W. T. Sullivan, vice-president and treasurer, and W. F. Delaney, Jr., secretary. The agency is occupying attractive new quarters on the ground floor at 111 John street, in the heart of the marine insurance district.

Mr. Ullmann has been in the business since 1892 and recently resigned as underwriter of the marine department of North British group.

Mr. Sullivan has spent the past two years in South America, mainly in Argentina, as director of American International Underwriters in South America in charge of marine business which position he recently resigned. Prior to that, he was in the business 15 years in the far east, and was president of American Asiatic Underwriters, Shanghai, prior to the outbreak of the war.

Mr. Delaney was until recently with

Irving Trust Company. Prior to that, he was affiliated with Etudes Marcel Ribardiere, Paris, France. He was educated in France and England and is a graduate of Princeton, 1933, and Harvard Law School, 1936.

The office represents National Union, Northwestern National, and New Zealand as direct writing companies and a number of others for marine reinsurance.

Shoe Repairers Floater Comes with Rationing

As a consequence of the shoe rationing program pedestrians are making the most of their old footwear and are patronizing shoe repairers in greater numbers than probably ever before. This, strangely enough, has created an insurance opportunity. Sizable shoe repairers and rebuilders are not able to get the work done promptly and they have on hand an accumulation of shoes awaiting their attention. This constitutes a considerable liability and a number of such repairers have purchased a shoe repairers floater contract of the bailee variety. This is a named peril policy. It is written usually for a flat amount subject to 80% coinsurance and the rate most commonly quoted is 2%.

The named perils commonly found in most policies are fire, wind, explosion, flood, theft and burglary, collision, derailment or overturning of a transporting vehicle.

Pease Starts New Job

M. M. Pease, who succeeded Albert Ullmann as marine underwriter for the North British group and also Atlas Assurance, has his offices at 90 John street, New York City. He joined North British May 15. He was formerly assistant secretary of Hartford Fire and metropolitan manager of its marine department.

John Strauss, formerly assistant manager of the New York Office of Aetna, joins Mr. Pease. He has had several years of experience in the marine insurance field and has lectured on the various phases of marine insurance at Pace Institute, Columbia University, Marquand School and the Traffic Managers Institute.

Lloyds Retains Advantage

NEW YORK—Indications that London Lloyds intends to hold its competitive rate advantage over WSA war risk rates on certain shipping routes are seen in its agreeing to incorporate the new broad F. C. & S. clause in war risk policies at no extra charge. A local broker recently placed an \$80,000 war risk premium with Lloyds on cargoes west and south Africa, where Lloyds is 2½% below WSA rates, 7.58% as compared with 10%.

Roeben Promoted by National

HARTFORD—The National Fire group has appointed A. R. Roeben superintendent of the inland marine department at the home office. He has been with National Fire many years, serving in various departments at the home office and also the brokerage and service office in New York City. He has been connected with the inland marine department since 1937.

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MOTOR INSURANCE NEWS

Passes on Question of Garage Location

The appellate division of the New York supreme court in Lukin vs. National Fire & Marine interpreted in the automobile theft insurance policy the "garage location" provision. Under this provision it was stipulated that the machine would be located in a garage for the greater part of the policy term in the town of the assured's address. As a matter of fact, the automobile was kept in an open lot near the assured's residence and he paid no rent although he locked the auto any time he left it on the lot. However, it was not protected in any other way.

About two months after the policy was issued the automobile was stolen during the night and was never recovered. The company denied liability on the ground that the "garage location" provision had been violated. It contended that this provision required that

the machine be kept in a garage when not in use and in a covered locked garage. The policyholder on his part declared that the provision amounted to a description of the geographical location in which the machine would be found during the greater part of the policy term and that there was no promise to store the car in any particular place, either in a covered or uncovered, open or closed location.

The court accepted the policyholder's interpretation of the provision. In connection with its decision it stated that it is well known that the rates governing automobile policies depend on the geographical location in which the machine is commonly used. The custom has grown up of calling that geographical location the garage location. The court contended that in the absence of an express provision warranting that the machine would be stored in a particular place, it was obvious that the mere statement that the car would be put in a garage in the town was not a representation.



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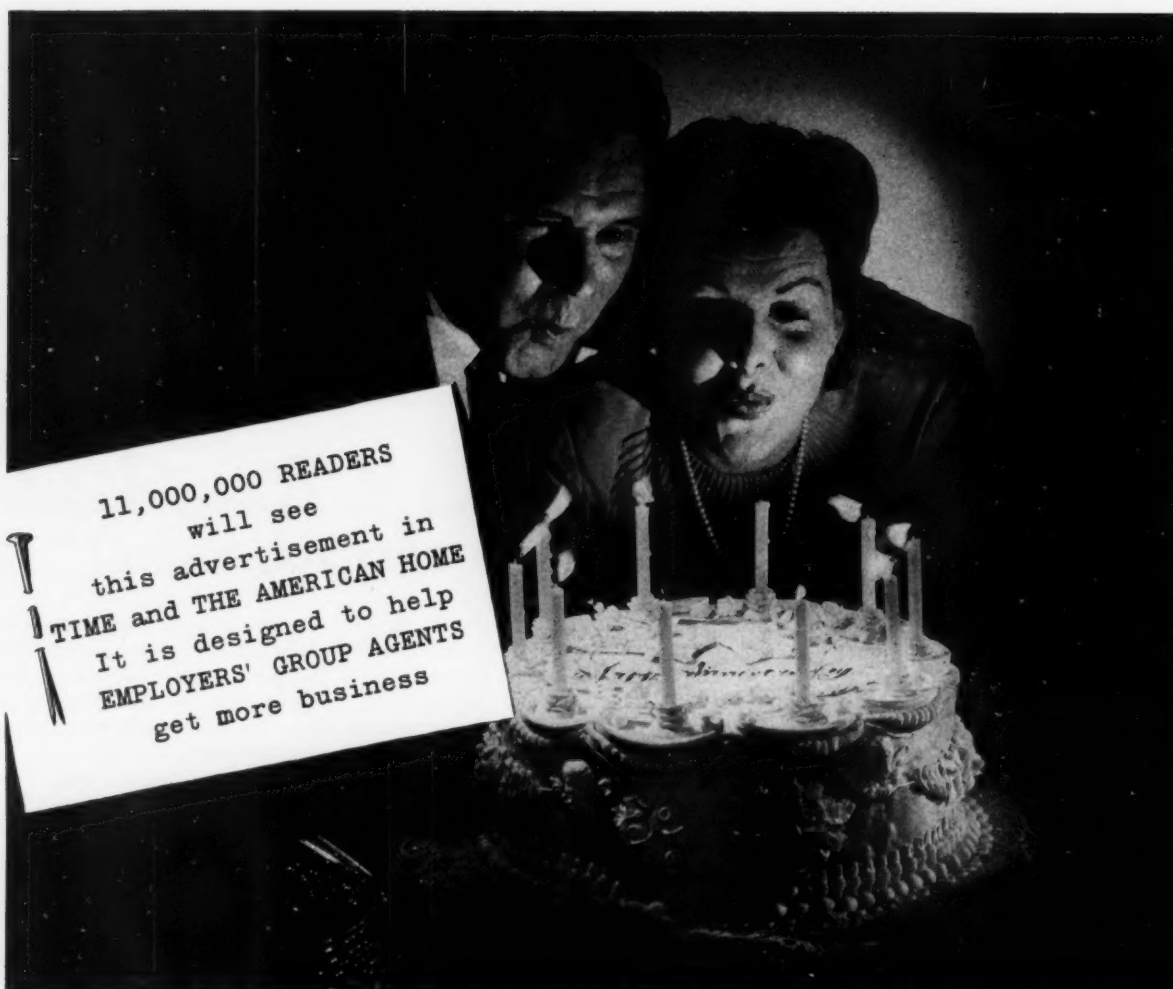
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Now...think of what you've done to protect that great investment. Take burglary insurance, for example...do you have it? If so, is it the right kind?

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